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The Nation's Business

Will 1937 Be a Year of Strikes?

Canada Better Off Than U. S. A.

Textile Commission Lawyer Devises New Tariff Formula

Confusion Over "Net Profits"

Too Many Tax Bodies

Strikes Loom on 1937 Horizon

WITH thousands of workmen staging a calamitous "sit down" strike to the south of us and over 100,000 railway workers threatening a railway strike all around us, the fear of labor disturbance in Canada during 1937 becomes a very real menace. Already the "sit down" technique has spilled across the border at several points and although it has met with short shrift to date, the results of its usage in the United States cannot help but have a very real effect on Canadian industrial relations.

This week The Financial Post has devoted many columns of space to this question of labor strikes in an attempt to review what is actually happening in Canada at the present time and also to give a first-hand account of the sort of thing that has attracted world-wide attention to the General Motors dispute.

Such a disturbance immediately raises in the minds of Canadian employers and employees such questions as: "Can it happen here?" and similarly the question—"If it does happen here what will it mean?"

* * *

FROM a legal point of view there seems good reason to believe that there are important legal safeguards in Canada against the sort of militant strike technique that has developed in Flint and other automobile centres. On the other hand Canadian labor is prepared to seek further important concessions at law, particularly in respect of collective bargaining, which are not now enjoyed in this country.

At no time in at least a decade has it been so important that employers and employees should carefully analyze their relationships with a view to mutual agreement. They should carefully appraise the whole situation together and do everything possible to avert the suffering, loss and bloodshed that have beclouded the automotive picture in the United States. The excellent conciliation machinery which has been functioning effectively in respect of the railway dispute is an important safety valve, but, in addition, there must be the utmost care and caution exercised if 1937 business prospects in Canada are not to be marred by costly and bitter labor disputes.

* * *

A New Formula For Tariff Making

A QUITE new tariff doctrine has been enunciated by J. C. McRuer, K.C., counsel for the Turgeon Textile Commission. It is one of those simple formulae which are always so attractive to people seeking to solve complex problems by ignoring the complexities.

Mr. McRuer proposes that a tariff-protected industry should be permitted to earn a reasonable return on its investment. He leaves it for someone else to determine what a reasonable return is. Any increase in capital over and above that amount should be regarded as an investment by the consumers of Canada in the industry. Earnings on that capital do not belong to the owners of the industry but should be made available to consumers through lower prices brought about by lower tariffs.

As a very broad principle to guide tariff makers the proposal of Mr. McRuer has much to commend it. But in theory the principle is one of many that already guide finance ministers and tariff commissioners in Canada. In fact, every maker of tariffs has always sought to explain his policies as ones that will produce a maximum of employment and a fair return on invested capital without exploitation of the consumer.

* * *

AS A positive, definite formula, Mr. McRuer's plan bristles with as many difficulties as any other guiding principle in tariff discussions. A few of these difficulties may be cited as examples.

First, there is the difficulty of distinguishing between an industry as a whole and a particular company in an industry. Is the tariff to be based upon the average earnings of the industry, upon the earnings of the most efficient unit or the earnings of the most inefficient one?

Second, there is the fact that any tariff plan which fixes a maximum limit of profit any company or industry may earn, also, in effect, fixes that as the minimum rate of profit it ought to earn. Is the consumer in Canada prepared to say that the tariff in Canada should be fixed to permit any particular rate of return on the textile industry or any other industry?

Third, is the fact that such a formula assumes that the determining factor in fixing tariffs should be the profits that result from industrial operations. Profits should be only an incidental consideration, whether the assurance of profits to an industry or the limiting of profits in an industry. The tariff has more to do with assurance of jobs than with

(Continued on page 2, col. 3)

Manitoba Will Cut Interest on Bonds Failing Ottawa Aid

Bracken to Announce Plan to Caucus Unless Dominion Acts

NEW YORK WARNING

Unless aid is forthcoming from the Dominion Government by Feb. 18, the first steps will be taken by the Manitoba Government leading to a reduction of interest rates on its outstanding bonds, The Financial Post is informed.

Climaxing several months of negotiations between his Government and the Dominion, Premier John Bracken has let federal authorities know that unless some assurance is given immediately he will inform his caucus when the legislature meets that the Government contemplates reducing interest on its bonds.

This action, as has been indicated by The Financial Post several times, has been pending for some months. Only a promise made by Premier Bracken to Hon. C. A. Dunning that he would defer action until the Dominion's $85 millions loan in New York was out of the way, prevented the matter from coming to a head earlier.

Crisis is Political

The present crisis is definitely political rather than financial. The demand for a reduction of at least $1 million in the interest charges of the Provincial Government has become a slogan in Manitoba. On Feb. 18 Premier Bracken meets his legislature. He holds 24 out of 55 seats. Conservatives hold 15, Labor 7, Independents 3, Social Crediters 3 and Communists 1. All sections of the opposition favor a reduction in interest rates so that the Government, lacking a majority in the legislature, will probably be defeated if it resists the demand, especially since some of its own members favor a cut. Premier Bracken feels that this is the only question on which there is much danger of the Government being defeated.

Defeat of the present Government would probably mean a legislature controlled by radicals. Refusal of aid by the Dominion would also mean a similar situation in Saskatchewan so that the country would be faced with radical governments in the three Prairie Provinces. Such a situation would be serious for the country as a whole.

If, on the other hand, the Federal Government comes to the assistance of Manitoba with a refunding scheme Premier Bracken feels that he can hold his Government together and stem the tide of repudiatory psychology in that province.

Dominion May Aid

With the crisis in Manitoba definitely to hand, there are indications that the Dominion Government will reverse its decision to let Manitoba and Saskatchewan paddle their own financial canoes. One indication of this is the fact that the Bank of Canada recently conducted a survey of the financial affairs of these two provinces on behalf of the Dominion Government.

While details of the Bank of Canada report are not available it is understood that it will show that Manitoba is in a position to meet all of its obligations. The bank, however, is fully cognizant of the seriousness of the situation and it is said that it has urged the Federal Government to grant assistance. At the same time it has advised the Manitoba Government against drastic action.

Federal Credit at Stake

Another reason for the possible change in Ottawa's attitude is that it now appears that the federal authorities have been mistaken in their view that provincial defaults are not harmful to federal credit. This has been the main reason for the Government's refusal to consider a refunding scheme under federal guarantee. Hon. C. A. Dunning, minister of finance, has taken the attitude that the Dominion's credit has been segregated from that of the provinces and that nothing should be done that would tie them together again. In this connection it has been pointed out that Alberta's default did not reflect on the Dominion's credit.

Recent events, however, have indicated that default or a cut in interest by Manitoba and Saskatchewan would have a serious effect on the Dominion's credit. The recent Dominion guaranteed C. N. R. issue and the Dominion loan in New York were not as successful as expected. Difficulty was encountered in selling the long-term maturities of both issues. Furthermore, the long-term maturities of the New York loan have subsequently declined 1¾ points from their offering

(Continued on page 2 col. 6)

Would Penalize Prompt Payment

Bankers confess themselves mystified by the suggestion of Rt. Hon. R. B. Bennett in the House of Commons debates this week that the interest rate on arrears in Home Improvement Plan loans be not more than 6%. Such would be actually below the present normal rate on these loans which figures out at 6.32%

In other words, the borrower would be encouraged to get behind in his monthly payments.

Notwithstanding the fact that Mr. Bennett's suggestion met with the apparent approval of Finance Minister Dunning, it is not expected that there will be any change in the originally proposed rate of 7% on arrears.

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New labor technique seen in action. Will it spread to Canada? Page 13

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Navigation Conditions Halt Soviet Coal Entry

From Our Own Correspondent

OTTAWA.—Soviet coal has not begun to enter Canada yet, but it is expected to cut some figure in the 1937 fuel picture.

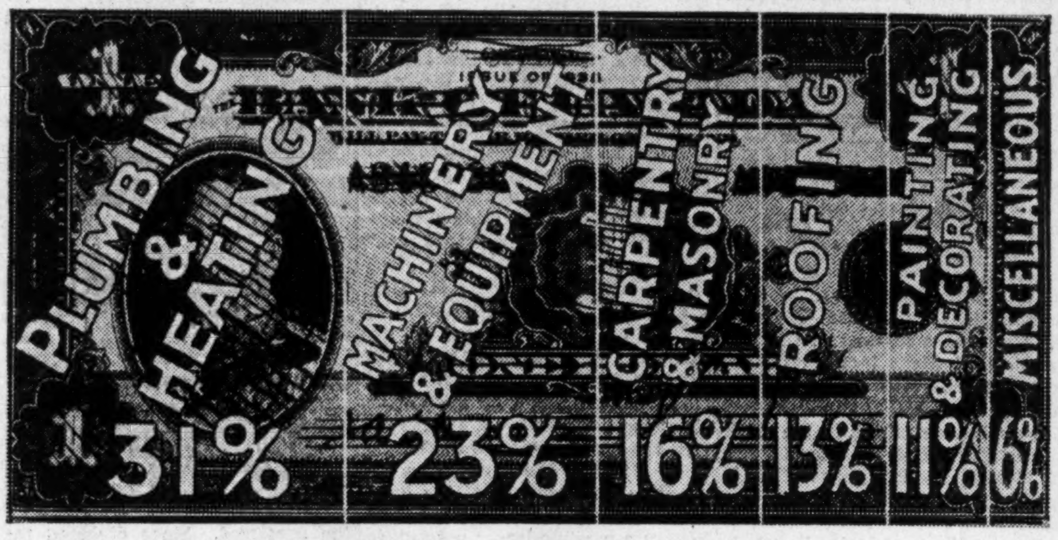
Navigation conditions have prevented entry so far, and no shipments are expected until the St. Lawrence is open.

In the agreement drawn up with Russia it was stipulated that no coal would be shipped for consumption in the Maritime Provinces.

It was also stipulated the coal would not be handled through an exclusive agency in Canada, but through a number of dealers.

Though no agreements are believed to have been completed yet with dealers in Canada, it is not this factor which has prevented shipments to date, The Financial Post is advised. By the time navigation is open on the St. Lawrence, it is expected that such agreements will be completed.

An obstacle to the expansion of the trade is found in the fact that Russia is asking a premium for its coal, and that it is insisting on shipping 90% of domestic sizes to 10% of buckwheat coal. Since the Canadian importers are chiefly interested in enlarging their sources of buckwheat coal, this factor will tend to restrain shipments, it is believed.



NEW $25 MILLIONS MARKET

In the next four months construction, equipment and house furnishings companies will share in a new $25 millions market opened by the Home Improvement Plan loans. Plumbing and heating firms are expected to get a big share of the business with other branches of construction participating as designated above. For details of coming expenditures see special article on page 12.

$70 Millions Deficit Is Seen for Dominion

Budget Improvement is $62.4 Millions to January 31

EXPENSES DOWN

With a budget improvement of $62.4 millions reported for the 10 months ended Jan. 31, the Dominion Government deficit for the year ending March 31 next will be substantially lower than the $100 millions estimated by Hon. C. A. Dunning, minister of finance, in his budget speech last year. Indications are that the deficit may be as low as $70 millions, compared with a deficit of $160 millions in the 1935-36 fiscal year.

From the revenue experience of the first 10 months of the year it is estimated that total revenue for the year will be approximately $25 millions in excess of the budget estimate of $416 millions. At the same time it is expected that expenditures will be well within the estimate of $506 millions.

Income Tax Up

The increase in revenue is a very definite indication of the improvement in business in Canada. It seems certain that the revenue of every department will exceed the amount estimated. In the case of the income tax the amount collected is already $2.5 millions above the estimated collections for the entire year.

The estimated deficit of $70 millions for the year does not take into account any possible losses from wheat sales. In the year ended March 31, 1936, the Government wrote off losses of $22.6 millions from this source. It is known that the Canadian Wheat Board suffered losses on its sales early in 1936 but it is possible that these have been partly offset by profits made in the latter half of the year.

Revenue Up $58 Millions

The increase in revenue during the first 10 months of the fiscal year was $58.9 millions, total revenue amounting to $373.5 millions. While ordinary expenditures have risen $6.1 millions total expenditures are $3.5 millions lower. Relief expenditures are $2.8 millions lower at $55.6 millions and provision for C.N.R. deficits is down $5.5 millions at $35.2 millions.

Loans and investments made by the Government during the 10-month period are $53 millions lower than in the corresponding period of the previous year.

Revenue and Expenditure
Ten Months Ended Jan. 31

	1937 $ 000's	1936 $ 000's	Change $ 000's
Revenue:			
Customs duty ..	68,246	61,910	+ 6,336
Excise duty	38,796	38,058	+ 738
Excise taxes	121,811	91,848	+29,963
Income tax	95,505	77,072	+18,432
Gold tax	....	1,413	— 1,413
Post office	27,691	26,389	+ 1,302
Sundry	19,577	17,653	+ 1,924
Special	1,913	282	+ 1,631
Total	373,539	314,625	+58,914
Expenditures:			
Ordinary	308,800	302,642	+ 6,158
Special	91,439	99,339	— 7,900
Capital	5,047	6,829	— 1,782
Total	405,286	408,810	— 3,524
Month of January			
Revenue:			
Customs duty ...	6,616	5,269	+ 1,347
Excise duty	3,126	2,797	+ 329
Excise taxes	13,087	8,932	+ 4,155
Income tax	3,973	3,822	+ 151
Post office	2,800	2,500	+ 300
Sundry	2,824	3,005	+ 181
Special	181	8	+ 173
Total	32,607	26,333	+ 6,274
Expenditures:			
Ordinary	32,271	32,584	— 313
Special	12,540	11,927	+ 613
Capital	21	177	— 156
Total	44,832	44,688	+ 144

Loans and Investments
Ten Months Ended Jan. 31 ....

	1937 $ 000's	1936 $ 000's
Provincial govts.	10,717	34,545
Railways	5,721	3,385
Harbor Commissions	315	342
Farm Loan Board	9,094	5,175
Housing Act	908	30
Soldier & Land Settlem't	168	145
Bank of Canada	5,100	....
C.N.R. refunding	39,029	80,607
Total	71,052	124,229

Britcana Property Thoroughly Drilled

Officials of Britcana Gold Mines, currently making a public offering of stock, have decided to start shaft sinking immediately, The Financial Post is informed.

A mining plant, capable of sinking to a depth of 500 ft. has been ordered. Work to date has included the sinking of 37 diamond drill holes on the property in Bryce Twp., south of Kirkland Lake, with satisfactory results, officials state.

All this work has been done prior to the initial offering of stock.

Tobacco Acreage Likely to Soar

An increase of from 30 to 40% in acreage for flue-cured tobacco is forecast for 1937, The Financial Post understands. Official announcement from the voluntary crop control committee is expected in a few days.

Latest estimates place the acreage for 1936 at about 35,000 acres from which a yield of about 23.5 million pounds of flue-cured crop was harvested. It is probable that due to lowering of stocks in Canada and the United Kingdom as a result of the short crop last year, an acreage of between 45,000 and 50,000 acres will be allotted for 1937.

Ottawa Valley Hydro Pact Still Possible

Company Needs Buyer and Hydro Wants Chats Falls

Rejection by the Ontario Government of the new power agreement reached by Ottawa Valley Power Co. and the Hydro-Electric Power Commission of Ontario is expected to result in further negotiations between the parties. Another agreement is still believed possible. The underlying situation is that the company has no other customer for its power and that Government and Hydro officials secretly recognize the value of the Chats Falls power to the Commission.

The company and the Commission had agreed on a new power contract, covering all 96,000 h.p. from Chats Falls, formerly bought from the company at $15 per horsepower, at the reduced price of $12.50. There was also an option for three years for the Hydro to buy the plant outright.

Two features of the proposed agreement are understood to have caused its rejection by the Government:

1. A concession by which the power could be withdrawn from Ontario and sold in Quebec.

2. Provision that the Hydro would be subject to any Quebec taxation on exported power.

Similar provisions in former power contracts have been subject to the most violent criticism by the Ontario Government which cancelled the former agreements. One official guess is that the concessions were accepted by the Commission in return for concessions by the company with respect to its claims for payment. The Hydro has not paid the company for power since Oct. 31, 1935. It is said also that the company was to pay for court costs under the proposed agreement.

Unless some new settlement is reached, the suit of the company against the Hydro would proceed to the Judicial Committee of the Privy Council for final decision. The Ontario Appeal Court has awarded the company judgment for $120,000 a month with interest under the old power contract, but the Government has passed legislation to protect the Hydro against collection under such judgments.

Bell Telephone Profits Higher

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports a gross revenue of $38.4 millions for 1936, an increase of nearly $2 millions over the previous year. Net profits available for dividends are equivalent to $6.96 a share on the common, compared with $5.74 a share in 1935.

Local service revenue increased 3.5% during the year while long distance revenue was up 12%. Miscellaneous revenue recorded an increase of 7.1%.

No major capital expenditures were carried out during the year. Consequently cash position shows considerable improvement, working capital totalling around $5 millions as against $2.5 millions at the end of 1935.

Rail Strike Threat Seen As Jockeying

Compromise Can Still be Made With the Men, It Is Believed

COSTS TO C. P. R.

Settlement of the railway wage dispute without recourse to the threatened strike tie-up is predicted despite assertions of union leaders in some railway centres that the men are not bluffing.

Ottawa opinion believes that the proposed strike vote, if successful, will be used only as a lever to get the best possible terms from the two railways.

It is suggested that the outcome of negotiations will be a compromise agreement setting the new wage schedule at a point mid-way between the MacLean award and the minority recommendation. This it is believed might provide immediate restoration of 2½% of the 10% wage cut on Feb. 1; further reductions in the cut to be left for new negotiations on June 1 when it would be possible to secure a better idea of the degree of business recovery in 1937.

Cost to C.P.R.

The MacLean award which provides three successive wage increases of 1% this year would mean an additional expenditure by the C.P.R. of approximately $3 millions.

At Montreal the executive committee representing 17 railway running trades met during the week to discuss the strike ballot. No statement was issued.

A survey of the situation by The Financial Post gave the following results:

Stratford confirmed the opinion at Ottawa that the unions are simply jockeying for position. The men there, it is stated, do not expect the full pay cut of 10% restored. What they are hoping for is an immediate 3% or 4% improvement and agreement for further negotiations.

Reports from other centres were:

Winnipeg—Running trades ready to strike but shopmen are not keen.

Vancouver—Strike vote in Vancouver will mean only that the men are supporting their committees in getting terms from the railways.

Moncton—If vote is called men will support strike but do not want to be forced to this extreme.

Halifax—Union men declare that they are not bluffing on strike threat. United front by running trades inspiring confidence.

Further details of The Financial Post survey are given on Page 3.

Aldermac Copper Corp. Ships Concentrates

Aldermac Copper Corp. is, The Financial Post is informed, making daily shipments of copper concentrate from the mine in Quebec to the American Metal Co. Already, it is stated, several carloads have been delivered under the contract with that company.

With the rise in the price of copper, it was decided to resume milling and at the first of the year the mill started operating at the rate of 250 tons daily. It is now operating on this basis.

Perennial Wheat Results Point to Forage Not Grain

Any hopes the western farmer may have entertained of a wheat crop that would come on year after year without annual seeding are not likely to be realized very soon. When experiments with the new "perennial" wheat were first announced at Ottawa there may have been some who believed that permanent fields of this crop were in sight. But Dr. L. E. Kirk, who is directing the scientific research in connection with this and other plants in Canada, is extremely doubtful. There is some hope of new permanent or perennial forage crops, he believes, but little of a plant which will produce wheat grain of commercial quality.

"Frankly, we know practically nothing with certainty as yet of what will come out of it," Dr. Kirk told The Financial Post. "We have a wide range of hybrid material in which to select, but it is impossible yet to predict just what types of plants out of this material will be found most useful. It is believed, however, that these crosses between wheat and grasses may easily result in new types of forage plants of great value to agriculture. It is altogether likely that perennial wheat can be obtained also, but it seems to me rather doubtful whether we can hope to get wheats which will measure up to the high standards of quality which we require in this country."

And even with the new grasses Dr. Kirk points out that it will be a long time before any commercial distribution of seed would be possible. Notwithstanding the fact that experiments are being worked overtime, crops being grown under artificial light in greenhouses in the winter as well as outside in the normal season, thousands of tests must be made before a plant of any value is produced. Some 80,000 crosses have been made in the last two years and yet officials consider themselves fortunate to have obtained 40 plants of sufficient promise to merit further investigation.

Officials Close Up 4 Firms in Drive On Mine Gypsters

Licenses of Salesmen Cancelled as Ontario Securities Commission Starts Clean-up of Racketeering

In a sweeping drive against the share-pushing type of mining promoter, the Ontario Securities Commission, in conjunction with the Federal Department of Immigration, has, within the past few days, closed up four major houses in Toronto and cancelled the licenses of several salesmen and brokers.

The four houses have been operating extensively by telephone to points outside Ontario, and by high-pressure sales literature with which the mails have been literally swamped.

The principal figure behind one of these houses was arrested recently and ordered deported by the Immigration authorities. Fighting to the last, he appealed this order to the Federal Minister of Immigration but was unsuccessful. He will be sent to Montreal in company of one of the department's men, and placed aboard a boat for his native Ireland.

Recently, The Financial Post, in a series of articles, made known the operations of such men, and in detail described previous records and present operations.

Worker for Jacob Factor

One of the men whose license has been cancelled, and whose stock-selling organization has been closed up, once worked for Jake "The Barber" Factor, a stock promoter extraordinary, who was recently described in an English court as a "notorious share pusher." The man whose stock-selling schemes have at last been terminated in Toronto, has had a long record of promotions in that city, none of which have turned out to the ultimate benefit of the shareholder. Two years ago, in the company of another well-known swindler, this man attempted to enter England, after he had been exposed in Toronto. He was refused entry, and returned to Canada, where he has been carrying on his methods through a "front man" since.

The firm through which he dealt has been issuing a monthly "market letter," in which glowing reports of the particular mine in which the company was interested were sandwiched in with columns of news picked up from reputable mining and financial journals.

Mails Flooded

The operations of both other houses recently closed up, were along similar lines. The Post is reliably informed that as recently as last December, one of these houses was operating an old time "boiler shop," by which, via a battery of trained high-pressure telephone salesmen, stock in a northern Ontario mining company was sold to points, as far distant as southern United States. This company carried on what must be one of the most intensive mail-selling schemes ever attempted in Toronto. The writer of these missiles studiously avoided fraud, in the legal sense, and thereby made it difficult for the authorities to act against the firm. If any shareholder, sensing the calibre of the promotion, laid a complaint against the company before the authorities, the company would always readily pay back the price originally paid for the stock, thus giving their whole operation a "satisfaction-or-money-back" atmosphere. This, however, was made possible by the profits reaped in their myriad other transactions.

One of the methods adopted by this company was to carry on a so-called investors' advisory service, by which shareholders in legitimate mining companies were invited to send in a list of their holdings for "analysis," free of charge. There is no question but that the advice given was well worth what the gullible investor paid for it.

The third firm to be closed up was the one operated by the luckless Irishman, who very shortly will be on his way back to Erin, with, it is hoped, a higher regard for the administration of the law in Canada than he apparently had before. The operations of this gentleman were fully described in a previous article.

"Who Was the Boss?"

The fourth firm closed was also the subject of an article in The Financial Post. Long distance telephone selling, accompanied by a steady stream of market letters, was also the modus operandi of this outfit. No trace could be found of the man whose name appeared on the letterhead nor could the principals of the company aid the authorities in establishing the existence of such a person.

In all four cases, the real tragedy of their operation lay in the fact that in each case, the property, being so unmercifully manhandled, was undoubtedly a prospect, and warranted the expenditure of the money raised. It is suspected, however, that little of this money was finding its way to the northern Ontario prospects.

In connection with the telephone selling, both the Montreal and Toronto Better Business Bureaus have recently warned their members against the prevalence of the share-pusher type.

Flour Sale Lags During January

January totals of flour and wheat exports showed sharp decline from the previous month. Flour shipments were fractionally under those of January, 1936, while wheat sales were 30% higher.

Carloadings continue their impressive record compared with corresponding figures a year ago.

Summary totals of key figures follow:

		—Change—	
Monthly	December	From prev. period %	From prev. year %
Flour prod., brls...	1,090,392	—25	+ 13
Boot & shoe prod. prs.	1,539,942	— 4	— 2
	January		
Flour exports, brls.	313,923	—34	— .1
Wheat exports, bu.	9,789,027	—53	+ 30
Weekly			
Car loadings, No..	47,100	+ 3	+ 18
Cattle sales, No....	14,564	+14	—0.07
Hog sales, No......	25,209	+18	+ 36

Eldorado Will Spend $150,000 on Expansion

Eldorado Gold Mines, Canadian radium producer, has provided for the expenditure of sums up to a total of $150,000 on plant expansion at the Port Hope refinery, Gilbert La Bine, president, reports. When complete, the present capacity of the refinery will be tripled. Plans include construction of a new two-story brick structure.

Martin-Bird Ore Shows Fair Values

Company Has $300,000 in Treasury With Plant Paid For

Definitely refuting charges of sensational ore values at the property of Martin-Bird Gold Mines, in the Larder Lake area of Ontario, F. J. Bird, president, informs The Financial Post that on the second level, crosscutting passed through a vein with a true width of 28 ft., 19 ft. of which assayed $8 per ton. The remaining 9 ft. remains to be sampled at press time.

This vein is believed to be the same as that encountered on the first level, where it averaged 4 ft. wide and $10.75 per ton, after throwing out the high grade samples. This was over a length of 275 ft.

On the same level, another vein was encountered, averaging 3 ft. in width and $10 per ton.

As regards rumors to the effect that Martin-Bird might be taken over by another company, Mr. Bird pointed out that the company had new Diesel equipment all paid for and some $300,000 in the treasury. Directors, he stated, felt that this position rendered unnecessary any recourse to one of the bigger companies, such as had been rumored.

Wheels Moving At Gen. Motors

Cars are still rolling off the lines at General Motors plants in Canada despite the scarcity of body stampings. Tension has been relieved from time to time by relentless ingenuity of the Canadian management which is reported to have brought stampings from as far away as the Pacific coast to keep production moving. These have been collected in dribs and drabs from wherever General Motors plants are standing idle. It is reported that sufficient material to permit production of 2,600 Chevrolets was obtained some weeks ago.

Next danger point will come it is expected about the end of next week. If further supplies cannot be obtained by then, output may have to be reduced entirely to trucks. Meanwhile the Canadian organization waits and watches—hoping for the "break" which will end the suspense and start wheels rolling rapidly once more.

MEN'S SHOP

A DISTINCTIVE TRIO

Picked from the Men's Shop's array of smart Spring accessories . . . English broadcloth shirt with fine woven stripes in shades of brown and red—medium point soft collar attached. The matching tie is of real silk in a five-fold style . . . English "six and three" all wool ribbed hose, bar striped in brown, grey, and fawn, complete the trio.

SHIRT Sizes 14 to 17½ each 4.00 | TIE each 2.00 | SOCKS Sizes 10 to 11½ pair 1.50

Free Parking While Shopping

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BAY STREET SECTION

EATON'S-COLLEGE STREET

In Foreign Markets

Canada's progress is measured largely by her volume of foreign trade. Markets to sell to . . . markets to buy from . . . in this complex process of exchanging commodities The Dominion Bank plays an important part. With its own offices in London and New York, and banking connections in business centres all over the world, this Bank gives prompt and efficient service in all Foreign Exchange transactions. 393

THE DOMINION BANK

ESTABLISHED 1871

C. H. GARLISLE, *President* — DUDLEY DAWSON, *General Manager*

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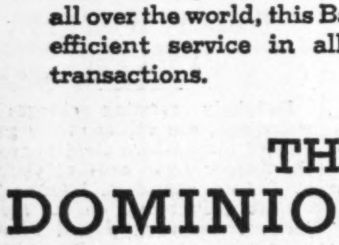
Reserve Fund and Undivided Profits $7,668,977



Practical Help for the Foreign Trader

Branches of this bank in London, Paris and New York, and in the West Indies, Central and South America, are at the service of Canadian business men. Through resident Managers, information can be furnished on market opportunities and trade connections and the fullest co-operation extended in furthering Canadian business interests abroad.

THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

The Nation's Business

(Continued from page 1)

profits. It would, for example, be foolish to destroy, shall we say, 100,000 jobs merely to limit the profits of two or three companies. It would be equally foolish to limit the development of some primary industry such as grain growing, in order to ensure a certain percentage of profit to firms selling to wheat growers.

* * *

MR. McRUER is a bookish thinker and his mind naturally runs to theoretical principles and highly developed formulae for economic planning. Perhaps, too, he has been unconsciously influenced by that economic school which today contends that the basic cause of depressions is the "failure" of our economic system to distribute enough purchasing power to consume all that is produced. His plan is, in essence, a scheme for limiting the flow of funds into capital investment and diverting part of the stream into consumption. Prof. Keynes has something of the same idea in his mind; it is obviously part of Mr. Roosevelt's philosophy, as demonstrated by the surtax on undistributed corporation incomes; it is the very basis of Major Douglas's social credit theories.

* * *

What Are "Net Profits"?

THE sort of difficulty that would arise in the working out of any rigid tariff formula, when applied to constantly changing conditions and to industries with varied problems, can be appreciated when one studies Mr. McRuer's own embarrassments in arriving at the "net profits" of the textile industry as it stands today.

What is a profit? More particularly, what is a "net profit"? Mr. McRuer placed before the commission a great many figures of the net profits of companies operating in the textile business. His auditors assumed the responsibility of determining for themselves what the net profit of any particular company was in any given year. The figures have been widely published throughout Canada. In many cases they are thoroughly misleading,—just as misleading for purposes of comparisons as some of the companies' own statements to the Government for purposes of taxation.

Possibly one of the difficulties is that accountants and auditors themselves differ as to interpretation of earnings and profits. There is no standardized definition. But a Royal Commission counsel, when he seeks to compare the net profits of companies, ought also to define the basis of his comparison and stick to it. In the case of the textile company, Mr. McRuer did not do so. The result is that his figures for one company do not mean the same thing as his figures for another company.

* * *

THE counsel for the textile companies, in his closing submission, argued that net profit ought to mean one thing and one thing only: the net amount available to pay dividends after all expenses, including interest and income tax. This is a fair definition. Certainly depreciation, bank interest and bond interest are expenses of doing business. The net profits ought to be the amount of money available to compensate the partners or owners of the business for their own investment in it.

Even to provide a definition of net profits will not mean that the actual percentages of such profits earned on their equity investments by different companies can be compared.

One company may start off with $100,000 of shareholders' money and $900,000 of money borrowed by selling bonds (an unlikely case but one that will help to demonstrate a point). The bond interest will be a fixed levy each year; but the earnings available on the common shares will vary widely as conditions of trade change. Net profits equivalent to 5% on the million dollars of capital used in the business might mean 14% on the common shareholders' investment. A 20% decline in earnings before bond interest would reduce net profits to 4% on the common stock investment. Another 20% decline would turn "net profits" into a "net loss."

* * *

ANOTHER company might start off with no bonds; but with $1 million of money, all put up by common shareholders. A net profit equivalent to 5% on the total capital invested would be only 5% on the common investment, not 14%.

In the first instance, the common stockholders — the partners as opposed to the creditors of the business — would be taking great risks to earn a possible larger percentage on their capital. They could easily be wiped out by a slightly adverse turn in the company's fortunes.

Thus it is obvious that even the framing of a suitable definition of "net profits" does not make for easy comparison of the conditions under which net profits are concerned.

Unfortunately, newspaper headlines are too brief to permit such important business considerations to be explained when "profit" figures are published. The shrewd and understanding man takes "profit" figures with a grain of salt until he has looked into them.

* * *

7,000 Taxing Bodies In One Province

ON NUMEROUS occasions The Financial Post has drawn attention to the serious problem of over-government in this country. It has urged reform to effect a needed reduction in the cost of government. That cost is far too high for a country with a population of only 11 million people.

A striking illustration of the extent of over-government is contained in the Jacoby Tax Commission report for the Province of Saskatchewan. With a population of 931,000, Saskatchewan has 7,052 agencies of local government, each possessing the power to borrow money and levy taxes. This represents one local tax-levying body for each 132 persons. The total is made up as follows:

302	rural municipalities
171	local improvement districts
471	urban municipalities, comprising eight cities, 81 towns and 383 villages
4,905	school districts, of which 4,406 are rural and 499 urban
1,155	rural telephone companies
25	drainage districts
22	union hospital districts
1	hail insurance assn.
7,052	

* * *

IS IT any wonder that taxes have become burdensome and that the assessment base has proved unable to bear the entire burden of local government under the conditions of stress in recent years? Unfortunately for the taxpayer, competition has developed among the various bodies for the taxpayer's dollar. Competition may be the life of trade, but when applied to the collection of taxes it means grief for the taxpayer.

There is no need for such a large number of local government units in Canada. Many of them could be amalgamated, thereby improving the efficiency of administration and reducing the cost of government. The Jacoby Tax Commission recognizes this condition of affairs and recommends that existing municipalities in Saskatchewan be merged to decrease the number of units.

Action should be taken by the Saskatchewan Government at once to implement this recommendation of the Jacoby Commission. Other provinces should also undertake a study of their local government structure with a view to reducing the number of spending bodies. Such a reform can easily be accomplished if the people are shown that it will lower taxes and if petty sectional and partisan interests are disregarded.

Canadian Pacific Railway Company

DIVIDEND NOTICE

Upon consideration of the results of the company's operations in 1936, and having in view its obligations as guarantor of the interest on certain securities of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, the directors have declared a dividend from the earnings of 1936 of one per cent on the preference stock, payable April 1, 1937, to shareholders of record March 1, 1937.

The year's earnings, and therefore the rate of dividend on the preference stock, have been affected by the very unfavorable drought conditions in the territory served by the company and also by the Soo Line, which resulted in substantial curtailment of the earnings for the last quarter of the year.

By Order of the Board,

F. BRAMLEY,
Secretary.

Montreal, February 8, 1937.

Montreal Catholic Schools

Montreal Catholic School Commission has sold an issue of $4,550,000 of 3½% bonds, maturing in 7, 10 and 12 years, to a syndicate headed by Banque Canadienne Nationale, at a price of 99.29. This gives an average cost to the commission of 3.6%. The issue consists of $2 millions maturing Feb. 15, 1944; $1 million maturing Feb. 1, 1947; and $1,550,000 maturing Feb. 15, 1949. The seven-year bonds have been sold. The 10-year bonds are being offered at 99.25 to yield 3.59% and the 12-year bonds at 98.25 to yield 3.68%. Bids were as follows:

Banque Canadienne Nationale; Bank of Montreal; A. E. Ames & Co.; Dominion Securities Corp.; Hanson Bros. Inc.; L. G. Beaubien & Co.; Rene T Leclerc Inc.; Ernest Savard Ltd	99.29
Wood Gundy & Co.; Royal Bank of Canada; Bank of Nova Scotia; Provincial Bank; Bell, Gouinlock & Co.; McLeod Young, Weir & Co.; Mills, Spence & Co.; Collier, Norris & Henderson; McTaggart, Hannaford, Birks & Gordon; W. C. Pitfield & Co.; Nesbitt, Thomson & Co.; Greenshields & Co.; Paul Gonthier & Co.; Societe de Placements; Henri Turgeon Ltd.	98.18

Siscoe Earnings Set at 24 Cents

Siscoe Gold Mines, Quebec producer, in a preliminary annual statement shows net profits of about 24 cents per share for the fiscal year ended Dec. 31, 1936. This compares with net profit equivalent to 23 cents per share in the 1935 fiscal period.

Following is the preliminary income account for the 1936 period compared with that of 1935:

Preliminary Income Acct.
(Years Ended Dec. 31)

	1936 $	1935 $
Production	2,428,470	2,191,752
Add: Other income	27,985	17,514
Int., dis., etc.	26,205	22,611
Total income	2,482,660	2,231,877
Less: Expenses	1,053,530	885,256
Depreciation	128,299	118,490
Taxes	181,955	165,580
Net profit	1,118,876	1,062,551
Earnings per Share:		
Earned	$0.24	$0.23
Paid	0.20+0.01	0.18+0.03
Tons Milled	181,177	149,070
Recovery per Ton:	$13.40	$15.25

Brewing Corp. Earnings For Dividends $86,929

Earnings of Brewing Corp. of Canada Ltd., available for dividends in fiscal year ended Oct. 31, 1936, were $86,929 or 53 cents a share on the preferred. Since dividend requirements were $245,233 it was necessary to draw on surplus to the extent of $158,304. In the preceding year, earnings were $1.03 per share. Dividends have been paid at $1.50 a share on the $3 preferred.

Although sales for the year are reported at higher levels, an increase in sales tax of 2%, absorbed by the corporation, higher prices for raw materials and intense competition in the Ontario brewing industry were all factors which adversely affected profits.

Comparative figures follow:

Profit and Loss Account
12 Months Ended Oct. 31

	1936 $	1935 $
Operating profit	2,931,271	2,953,550
Misc. income	48,004	12,814
	2,979,275	2,966,364
Less: Taxes	2,404,255	2,302,030
Interest	89,250	71,491
Depreciation	368,659	370,950
Income taxes	30,182	54,300
Minority interest	......	1,409
Net profit	86,929	166,184
Dividends	x245,233	243,911
Deficit for the year	158,304	77,727
Prev. surplus	1,441,486	1,640,848
	1,283,182	1,563,121
Less: Property res.	......	150,000
Adjustments	12,046	9,419
	1,271,136	1,403,702
Add: Sale subsidiary	3,192	......
Revenue com. stock	......	37,784
Surplus forward	1,274,328	1,441,486
Working Capital		
Current assets	2,541,138	2,167,492
Current liabilities	1,073,073	866,937
Net working capital	1,468,065	1,300,555

x—Including subsidiary.

Empire Life Ranks Among First Twenty

With business in force of $34.5 millions, Empire Life Insurance Co. now ranks among the first 20 Canadian companies in respect of total insurance outstanding. According to the company's annual report for 1936 which will be submitted to shareholders at Kingston this week, definite progress has been achieved in bringing together the substantial investments and business of Mutual Relief Life which was taken over by Empire Life in May, 1936.

For comparative purposes, The Financial Post has compiled figures to show the position of the Empire Life at the end of 1936 against a balance sheet which combined the resources of the two companies at the time of the merger. On this basis the company has slightly less business in force and shows a smaller volume of business than was previously written by the two companies. Total assets, however, are higher by nearly $500,000.

If the 1936 figures are compared with those of the Empire Life at the end of 1935 (before the merger took place), the new totals show an increase of $5.4 millions in assets and an increase of over 50% in new business issued. Normal increase in business in force was 7% on an issued basis.

Of total assets of $8.6 millions, about 57.8% is invested in bonds; 10.6% in mortgages; 14.36% in stocks and 8.3% in policy loans. Real estate held for sale and including head office, amounts to 5.75% of ledger assets. Value of stocks held has more than doubled during the year.

Comparative figures of chief items follow:

	1936 $	1935† $	1935* $
New insurance issued and revived	4,304,547	2,759,208	4,735,847
Business in force	34,550,000	17,282,594	35,797,525
Total income	1,169,024	702,553	1,480,244
Net premium income	841,819	505,315	1,040,040
Bonds	4,654,695	1,397,459	5,043,755
Stocks	1,300,533	583,899	601,500
Mortgages	943,951	580,723	851,103
Policy loans	746,961	345,441	727,889
Total assets	8,632,361	3,251,506	8,174,880
Statutory reserves	7,716,612	2,677,053	7,471,362
Free surplus	245,796	202,110	205,072

† Before absorption of Mutual Relief Life.
* Joint figures including business of Mutual Relief Life acquired in May, 1936.

Manitoba Will Cut Interest on Bonds Failing Ottawa Aid

(Continued from page 1)

price. This is causing the Dominion considerable concern.

May be Costly to Ottawa

While the softness of the high-grade market has admittedly been a factor in the poor reception for these loans, possible reduction of interest by Manitoba and Saskatchewan has also affected the market. Ottawa has been unofficially told by New York financial firms that it cannot hope to sell long-term maturities in that market as long as Manitoba and Saskatchewan are on the verge of default.

Thus, if Manitoba and Saskatchewan are not given aid it is possible that the Dominion will have to pay more for its funds. This is rather serious for the Dominion, especially since interest rates in any event are showing a tendency to strengthen. Then, again, the Dominion has a $236 million maturity falling due on Dec. 1 next which it will have to refund. A rise of even one-half of 1% would prove costly to the Dominion, involving an additional $1 million annually in interest charges on this one loan. Thus it may be cheaper in the long run for the Dominion to assist Manitoba and Saskatchewan.

Meeting Held

Steps have already been taken by the Manitoba Government to inform its largest creditors of the situation. The attitude of the Government and the danger in the situation were fully outlined to a meeting of bankers and representatives of insurance, trust and investment firms in Winnipeg on Monday, Feb. 8. For the most part discussions of the meeting have been cloaked with secrecy, but it is understood that it was decided that the urgency of the situation should be brought to the attention of the Federal Government.

Present at the meeting were John A. Rowland, K.C., joint general manager of the Canada Permanent Mortgage Corp., and A. N. Mitchell, general manager of the Canada Life, representing investing institutions.

If aid is refused by the Dominion then it is probable that bondholders will be approached with a view to securing a voluntary reduction. Premier Bracken, however, is said to recognize that this would be little more than a gesture on the part of his Government. Bondholders are widely scattered and it is impossible to get them together to consider any proposal that might be made.

Financial Situation

In financial circles there is considerable criticism of the Dominion Government for its failure to aid Manitoba. It is pointed out that it will be most unfortunate if Manitoba is compelled to take drastic action just when the country seems to be in a position to regain financial stability, especially as Manitoba has done a very good job of financing its operations through the depression in the face of a sharp reduction of farm purchasing power. During the past two fiscal years the Government has reported a surplus on ordinary account, exclusive of unemployment relief. In order to do this the Government reduced expenditures to a minimum and increased taxes so that revenue in the year ended March 31, 1936, was the highest in its history.

It is felt, however, that nothing more can be done along these lines. In some instances expenditures have been reduced below a reasonable minimum and will have to be increased. At the same time it is impossible to increase taxes. There is, in fact, considerable demand for repeal of the wage tax and the Government may not be able to resist this demand since it is without a majority in the legislature.

During the current fiscal year it is understood that revenues have shown further improvement. Furthermore, Manitoba and Saskatchewan are not paying interest on advances from the Dominion Government. At Mar. 31, 1936, these advances amounted to $15.5 millions in the case of Manitoba and $48.5 millions to Saskatchewan. Thus the major budget problems of Manitoba are relief expenditures which are being financed by loans from the Federal Government.

Bracken Has Been Reasonable

Premier Bracken, it is generally admitted, has shown a very reasonable attitude in a difficult situation.

With the Legislators

Ottawa

Transportation—Bill recasting the capital structure of the Canadian National Railways given second reading and referred to special committee.

Majority and minority reports of the Board of Conciliation on the railway wage dispute tabled.

Coal—Report of the Royal Commission enquiring into the importation of anthracite coal tabled.

Finance—Likelihood of Bank of Canada annual statement being referred to a committee of parliament announced by the Minister of Finance.

Shipping—Resolution calling for the employment of greater numbers of white Canadian citizens on shipping subsidized by the Government withdrawn after a debate.

Construction—Second reading of the Home Repair measure and progress in the committee stage.

Copyright—Private member's resolution to reduce the fees charged by Canadian Performing Rights Society defeated 91 to 58.

Prairie Rehabilitation—Notice given of a bill to permit the creation of new committees and the appropriation of sums greater than one million dollars a year for the purpose, the present maximum.

Estimates — National Revenue estimates totalling 1,026,000 and Post Office estimates totalling $1,533,000 approved by the Committee of Supply.

Elections—Date of by-elections in Hamilton West and Bonaventure, vacancies created by the deaths of H. E. Wilton and Hon. Charles Marcil, set for March 22.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Montreal Catholic Sch. Comm.	Feb.	Banque Can. Nationale and Syndicate	3½%	1944 1947 1949	$2,000,000 1,000,000 1,550,000	99.29	3.60%
Granby, Que.	Jan.	Beausoleil & Beausoleil	....	1-10 yr.	15,000	102.01	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Northern Telephone	Feb.	Bartlett, Cayley & Co.	4%	1938-47 1948-57	$163,500	100 99	....
Stock Issues—							
Dawson-White Gold Mines	Feb.	Jay L. Francis & Co.	....	....	400,000 shs.	30c.	....
Paquette Malartic	Feb.	A. B. Davidson & Co.	....	....	300,000 shs.	15½c.	....
Scott Chibougamau Mines	Feb.	R. P. Mills & Co.	....	....	650,000 shs.	25c.	....

Above all . . . Security

For 119 years, safety has been the watchword and conservative management, the guiding principle of those directing the institution.

A MILLION DEPOSIT ACCOUNTS DENOTE CONFIDENCE

BANK OF MONTREAL

ESTABLISHED 1817

HEAD OFFICE MONTREAL

TOTAL ASSETS IN EXCESS OF $800,000,000

no new blades?

How many mornings do you suffer the annoyance of discovering that, just as you are set to shave, *you have no new blades for your safety razor?* It's an easy matter to silence the query of your indignant shaving brush—and assure yourself a comfortable, speedy shave! Simply phone ADelaide 8411 and your blades will be out on our next delivery—or better still, leave with SIMPSON'S a standing order to deliver your favorite brand of blades as often as you wish. SIMPSON'S will be pleased to brighten up your morning shave, by seeing that you've always a good supply of crisp, new blades on hand. *Why not place your order right away?*

Gillette Blue Blades . . . . 5 for 25c, 10 for 50c
Auto Strop Blades . . . . 5 for 25c, 10 for 50c
Ever-Ready Blades . . . . 5 for 38c
Gem Blades . . . . 5 for 45c
Probak Blades . . . . 5 for 25c
Durham-Duplex Blades . . . . 5 for 40c

A Selection of "Rubberset" Shaving Brushes, priced from 25c to $25. *Cutlery Department — Street Floor*

Simpson's

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	113.50	115.00	4.03
Hamilton	5	1950	111.00	112.50	3.80
Montreal	5	1945	106.00	107.50	3.92
Ottawa	4½	1945	109.00	111.00	3.00
†Quebec	5	1959	105.00	107.00	4.50
†Toronto	4½	1955	111.25	113.25	3.50
†Vancouver	5	1950	94.00	98.00	5.21
Winnipeg	5	1944	98.00	102.00	4.67

†Payable Can. and N.Y.

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.95	5.10
Can. Invest. Fund	4.85	5.15
All Can. Trustee	15.20	15.75
Trans-Canada	...	15.45
Grouped Income	6.93	7.60
Can. Equity	13.14	...
Can. Int. Tr., modified	6.00	6.50
Do., unmodified	5.50	6.00

Notice To Shareholders

Home Oil Company Ltd.

Be Sure To Register
Your Shares In Your Own Name
By February 15, 1937

Applications for additional shares will only be accepted from Shareholders registered as of record at the close of business on Monday, February 15, 1937.

As soon as possible after that date forms of application for the new shares will be mailed to registered Shareholders who will be the only ones entitled to subscribe. The basis of subscription will be up to but not more than one new share at Two Dollars for each share registered.

Owners of stock who wish to participate must register their shares in their own names on or before Monday, February 15, 1937, at any one of the undermentioned addresses:

London and Western Trusts Co. Ltd.,
320 Bay Street, Toronto.

London and Western Trusts Co. Ltd.,
346 Main Street, Winnipeg.

London and Western Trusts Co. Ltd.,
801 West Hastings Street, Vancouver.

(The Trust Company is entitled to charge Thirty-Five Cents for each new Certificate issued plus payment of requisite Government Transfer Tax.)

Wanted—

A Young Man

—with energy and ambition who believes he can make a success in financial journalism. College man with newspaper experience preferred. Apply immediately stating age, education, experience, etc. Box 502, The Financial Post, Toronto.

Rail Strike Threat Seen as Jockeying To Get Good Terms

Compromise Wage Level Expected as Outcome of Negotiations—Little Alarm Felt as Men Prepare to Ballot on Walkout

Is Canada in for a general railway tie-up?

In official circles at Ottawa, where the background of the present dispute is intimately known, there is less alarm than outside. It is conceded that a strike is possible. It is regarded as much more likely, however, that the basis for a wage compromise exists, and, when it comes to a show-down, that both sides will get together without any impasse.

The determination of the men to get back their 10% reduction at an early date has been obvious for some time. It has been strengthened by the fact that railwaymen in the United States have had their depression pay-cuts fully restored. Their determination led them to sink all differences between the various labor organizations, and, for the first time in history, meet the railway companies behind a single spokesman.

Blood From Stone

While it is true that the railway companies are equally determined that at the moment it is physically impossible to restore the full wage cut—that blood cannot be drawn from a stone—it is also true that the companies are agreeable to the restoration of the full amount and a return to the basic wage rates of 1929 as soon as earnings justify.

The difference between the two parties boils down finally not to a question of wage rates at all, but to a question of time when pay cuts will be restored. This was clearly brought out in the majority report of the Board of Conciliation.

Perhaps the most contentious point between the men and the companies is the basis for wage increases. The companies argue that a company which is losing money cannot raise wages, and that the rising gross revenues must govern wage restorations.

The men declined to accept this principle.

Compromise Expected

On the whole, authorities here believe that a compromise can and will be reached between the two positions. In order to see what this involves, the majority award and the recommendation of the men's representative is given. The compromise likely to be reached will cut somewhere between these two, it is expected:

MacLean award (majority): Ten per cent cut be reduced to 9% on Feb. 1, 1937; to 8% not later than Aug. 1; to 7% not later than Nov. 1. These percentages to be increased to the extent that higher gross revenues justify.

Minority recommendation: Ten per cent cut to be reduced by 4% cut on Feb. 1; the matter of further 2% on August 1, 1937; 2% on Nov. 1, 1937.

The Financial Post was informed that in the recommendation of the men's representative the basis for a compromise was laid, and that it would be a reasonably shrewd guess to suppose that the following might be the final solution:

Restoration of 2½% of the wage cut on Feb. 1: The matter of further reductions in the cut to be left for new negotiation on June 1, when it will be possible to secure a better idea of the degree of business recovery during 1937.

Wages First

It was the contention of the men, and they supported it with a number of court decisions, that it was the first duty of an enterprise to provide reasonable wages to its workers, and this duty did not depend upon their capacity to earn such wages. The majority report replied that there could be no performance unless there is the ability to perform: "An obligation may be imposed and penalties attached, but the practical result can follow only where ability exists." The railways might be ordered to pay higher wages but if they did not earn enough in gross revenues to meet them, they obviously could not do so.

Before examining the arguments and counterarguments on which the two sides have rested their case for the time, the question may be asked:

"What happens if the railwaymen vote 100% for a strike if their demands are not met?"

Jockeying

The first stage of negotiations having failed, even with the assistance of a Government board of conciliation, naturally each side is jockeying somewhat for a basis of new negotiations, and the more solid and emphatic the railwaymen can make their position, the better hope they have of securing a compromise offer from the railway companies better than the conciliation award.

The railway companies, in their turn, have strengthened their position in the public eye by accepting and putting into effect at once the recommendation of the independent tribunal.

In addition, by official statement, they have left the way open to further negotiation.

Similarly, the minority award of the representative of the men, Fred Bancroft, leaves a door open on the other side to new discussions.

It is assumed here that when the vote comes in, early in March, it will show almost a solid vote in favor of a strike if the men's demands are not met.

Strike Vote Lever

But, arguing from certain salient facts, as well as from history, the authorities behind the scenes here do not expect an uncompromising stand. The strike vote is obviously a lever with which to secure better terms. In a sense the negotiations on both sides constitute a gigantic poker game.

In the past there has always been a very powerful restraining influence against railway strikes. In the days of noncontributory pensions, the companies could — and sometimes did—hold up the threat of cancelled pensions. The Financial Post is told that as a result of strikes in the past railwaymen's pensions have been cancelled. The fact that pensions are now on a contributory basis may, however, weaken this threat, as it is hardly conceivable that a man could lose all of a contributory pension because of participation in a strike.

Another restraining influence at the present time is the presence in Canada of perhaps 50,000 unemployed railwaymen. It would be much more difficult to maintain a strike under present conditions than when all the men were at work.

A third consideration is the extent to which truck and bus, waterborne traffic and the airplane have provided competitive service in many parts of the country. While a railway strike would paralyze certain aspects of industry in Canada, it would not be so devastating as it would have been before these competitive agencies were in existence.

Cost of Restoration

The immediate restoration of the full 10% would cost the Canadian railways about $18 millions per year. The railways took the position that their financial position made such a step impossible. In 1935 the C.P.R. had only $2,832,084 balance without any distribution to stockholders; the 1936 figures are not complete, but the statement was made that there was very little improvement. The net income deficit of the Canadian National was $48,878,182 in 1935, and 1936 will show a very slight change for the better.

The restoration proposed by the majority board would mean an increased cost of about $3 millions in wages in the year 1937; and at least $5.4 millions in 1938, the latter figure being increased in proportion to the improvement in gross earnings.

The majority report came to the conclusion that, keeping in mind the fluctuating cost of living, the railwaymen had maintained their real wages during the depression. "There would seem no good reason to doubt that real wages have been well maintained throughout all the deduction period." Also, after examining the indices: "There would seem to be sufficient margin to support the contention that the present scale of wages has not necessitated a lowering of the standard of living."

Cost of Living

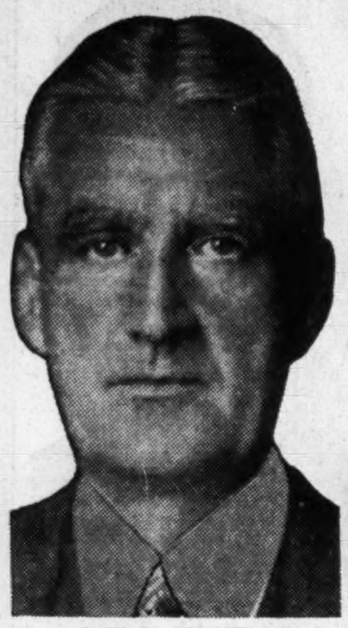
The $100 received in 1926 had fallen to $90 in September, 1936, but the cost of goods and services had fallen to 81.5 in the same period, and thus the $90 would buy 110.4 units as compared with 100 in 1926, it was argued.

In their argument, the railwaymen did not, according to the MacLean report, take the stand that the wages of railwaymen in Canada compared unfavorably with those of other classes of workers. When, in fact, it was pointed out that all evidence suggested that railwaymen as a whole were better paid than many other classes of labor, it was replied that the nature of their work, and the need of "highly skilled and responsible employees" fully accounted for this fact.

Allowing for differences in ways of making up the tables, in living costs, in the demands and training of the different classes of worker, the following tables may still be instructive:

Average yearly earnings of 445,432 employees in manufacturing in Canada:

1931	$1,001
1932	852
1933	785
1934 (latest compiled)	837



J. W. McCONNELL

D. C. COLEMAN

JOIN H. B. C. CANADIAN COMMITTEE

Marking the second major departure in management since the company was incorporated in 1670, J. W. McConnell, president of Ogilvie Flour Mills and other corporations, and D. C. Coleman, senior vice-president of the Canadian Pacific Railway, both of Montreal, have been elected to the Canadian Committee of the Hudson's Bay Co. In 1931 the company deputized authority to a Canadian committee of five members, all of whom are residents of Winnipeg. The addition of the two Montrealers is regarded as presaging further authority for the committee.

Average wages in agriculture (Dominion Bureau of Statistics):

	Males (wages & board)
1931	$439
1932	341
1933	322
1934	338
1935	358

Average annual earnings of those steam railway employees on an hourly basis (covers 102,628 average number employed in 1935):

1929	$1,492
1933	1,210
1934	1,206
1935	1,280

Though no such statement is made in either of the reports, there is considerable basis for the belief that railwaymen are the best paid body of workers on a national scale in Canada.

Only Backing Negotiations

From Our Own Correspondent

VANCOUVER.—Railroad workers who have been balloting on the so-called strike issue are taking the ground that they are not voting for or against a railroad tie-up in Canada but merely giving their union executive officers support in continuance of negotiations.

Denying that there was pressure from the United States to vote in favor of a strike, labor officials stated here that they certainly did not wish any trouble that might result in paralyzing Canada's transportation systems. Most of the organization work is in the hands of senior men, who would automatically lose their seniority in the event of a walkout. They desire to retain their present status, and for that reason are hopeful that the dispute may be settled without strike action.

Winnipeg Divided

From Our Own Correspondent

WINNIPEG. — Running trades of the railways, so far as Winnipeg is concerned, are all for a strike, unless the managements will agree to return to their pay envelopes the reductions taken off during the depression. Shopmen are not at all keen on striking and very probably may not join the running trades if it comes down to a question of going out.

It can be said quite frankly that none of the men really want to strike. They express strong convictions, however, that the railways are not treating them fairly. They point out that within the last five or six years economies have been effected in the operation of trains which enable the railways to operate with fewer men and at greater profit.

To auditors' statements showing the railways are not earning sufficient revenues to stand returning the entire 10% cut, the men reply "We work on the road. We know what is being done. You can't fool us with figures."

Telegraphers Bitter

The telegraphers are particularly bitter. Not only did they get cuts but many lost employment and went into other lines of business, so much so, that today there is a scarcity of experienced telegraphers.

"They never considered us, why should we consider them?" is their attitude. They are all for the strike.

Shopmen's wages were not cut, and on the whole they have received more work. They do not want to strike and if left alone would probably accept any portion of a return of their wage cut.

This is the result of a cross section of railway workers, so far as they can be reached. The running trades and telegraphers are likely to stick closely together with the shopmen lukewarm.

Dissatisfaction is expressed that running trades across the line receive considerably more money for the same job but it does not appear there has been any direct fomentation or instigation from across the international boundary. It is a domestic issue and will perforce be settled in Canada's own backyard.

Moncton for Strike

From Our Own Correspondent

MONCTON, N.B.—If a strike vote is called, railwaymen of Moncton and vicinity will vote for a strike. That is the practically unanimous expression of opinion among the workers here. They say they do not want to be forced to that extreme and they sincerely hope it may be averted, but they feel that is the only course left open to them to express their sentiments on the subject of the wage cut.

For years they have suffered the loss incurred by reduced pay as well as reduced working hours and they feel the time has come for the restoration of the full scale. They are profoundly dissatisfied and feel that they are suffering an injustice.

C. P. R. Influence Seen

Among the men it is generally believed that the C.N.R. management would have been willing to restore wages to the basic scale but that this has been blocked by the influence of the C.P.R., and this has increased the dissatisfaction.

If there has been any pressure from United States union leaders, the men here appear entirely ignorant of it. They seem to need no urging from outside sources.

The opinion is freely expressed that, if it comes to a showdown and a strike is called, only the C.P.R. men will be called out since the C.P.R. is regarded as the chief stumbling block in the way of the restoration of the full wage scale.

Consumers Gas Stock Realizes $201 a Share

Tenders Received For More Than Three Times Issue

Accepted tenders for the new issue of 5,000 shares of common stock of Consumers' Gas Co. of Toronto will yield the company about $1 million of additional capital, after deducting legal and other expenses in connection with the offering. The average price received for the new stock was $201 a share.

Proceeds of the issue will be used to retire bank loans incurred for capital purposes, which at Sept. 30 last amounted to $495,040, and to provide for extensions of plant and distribution systems in the immediate future.

Tenders were received for 15,286 shares or more than three times the number of shares offered. Those who tendered as low as $200 a share will only receive a portion of the amount of stock they desired and all tenders below $200 a share were rejected. Tenders received totalled 444.

Average Price Better

The average price of $201 a share received for this issue is $51 higher than the average for 8,052 shares sold in 1932 and $13 a share higher than the average price received for 12,500 shares in 1929.

Commenting on the sale of the new issue, E. J. Tucker, general manager, remarked: "It is gratifying from the company's point of view that the great majority of tenders were received from private investors, or from brokers on behalf of investment clients. It is evident that practically none of the shares were bought for trading purposes.

Old Shareholders Buy

"It is apparent, too, that the buyers of the new shares are mostly old shareholders of the company. As was to be expected, the majority of the bids came from residents of Greater Toronto, the territory served by the company. There were, however, a number of bids from elsewhere in Ontario and other provinces, with a few from the United States.

"The price at which investors acquire the new stock is not out of line with yields on comparable forms of investment. At the same time it enables the company to maintain a low average cost of financing. The average cost of capital employed by Consumers' Gas Co. is lower than the average for utility companies on this continent."

Gordon & Belyea Paying Arrears Off Pref. Stock

Gordon & Belyea Ltd., Vancouver, have reduced arrears of dividends on the first preferred shares to 3¼% by payments totalling 9% on these 6% shares in 1936. Quarterly disbursements of $2.25 each a share were made.

It is understood the company will endeavor to eliminate the additional 3¼% arrears in 1937.

Second preference shares were reduced from $30,900 to $21,600 in 1936. These shares carry a noncumulative 6% dividend.

The company's ship-chandlering business has benefitted from activity in the port of Vancouver and the management feels that indications point to a good volume of business in 1937.

Officers and directors were re-elected at the recent annual meeting.

Great Lakes Paper Co. Has Favorable Outlook

First Statement Indicates Prospects of Increased Earnings

EXPECT PROFITS

Prospects of greater earnings are indicated in the first financial statement for Great Lakes Paper Co. since the receivership was lifted in 1936.

Earnings under management of the new board of directors are available for only part of 1936, and the results are not comparable with the former earnings under receivership.

The new president, C. H. Carlisle, states that earnings for the last half of 1936, before bond interest and depreciation, were $259,807. Depreciation was charged at $151,896 for the six months. The earnings amounted to 1.732 times bond interest for the period before depreciation and .72 times interest after allowing depreciation.

Prospects Favorable

Mr. Carlisle says costs of production have been reduced somewhat over $5 a ton from the costs prior to June 26, 1936, when the receivership terminated. Also the price of newsprint has increased $1.50 a ton.

If no allowance is made for any earnings prior to June 26, this would indicate earnings at $650,000 annually on production of 100,000 tons. Interest charges on the new 5% bonds total $300,000 annually.

Mr. Carlisle's own appraisal of the earnings outlook is that: "The combined effect of economies in operations plus a 50% reduction in selling cost for the year, together with additional revenue derived from the increased selling price of newsprint, should result in your company showing a satisfactory profit during the current fiscal year."

Financial Position

Working capital of the company was $1,095,472 at Dec. 31, 1936, compared with $1,057,737 at June 30, 1935. Thus an improvement had been effected after paying $150,000 of bond interest and $359,149 for legal and trustees' fees and other reorganization expenses. In effect, therefore, the improvement in working capital after making these payments of $509,149 was $37,735 in 18 months. This was derived from earnings, and financed with bank borrowings of $500,000. The loan was $200,000 at Dec. 31, 1936.

Contracts have been awarded for $218,000 of capital improvements to better quality of products, to increase production and to economize in deliveries. The management also intends to increase the output of sulphite and to manufacture by-products, lumber, timbers, ties, piling, etc., adding to the company's revenue.

H. Ponting, general manager of the Detroit News, has been added to the directorate as the second representative of publishers who have given the company long-term paper contracts.

The balance sheet shows the 100,000 class A preferred shares at $40 each, and the 100,000 shares of B preferred owned by publishers at $10 each although they rank equally for dividends. The common shares are shown at $25 each and a deficit of $70,158 is shown in profit and loss account. Total assets have been written down from $43.1 millions under receivership to $17.3 millions at Dec. 31, 1936.

Maritime Tel. Traffic Heavier

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. reports 39,500 stations installed at the end of 1936, a gain of 1.9% during the year. The Island Telephone Co., a subsidiary, reported 4,157 stations in operation.

Coincident with the increase in the installations, there was an overall increase of 3.2% in local traffic handled by the company in 1936.

The total number of completed long distance calls for 1936 was 1,397,074, 57,699 or 4.3% more than in the previous year.

Canada Wire and Cable Makes Payment on Arrears

From Our Own Correspondent

MONTREAL.—Canada Wire and Cable Co. has declared a dividend of $1.75 a share on preferred stock arrears. This dividend is payable March 20 to shareholders of record as of March 1.

On Dec. 23 last, the company paid $2.75 on account of arrears, following a payment of $3.25 on Oct. 15. The latter was the first dividend on the preferred since Dec. 15, 1932. A total of $6 paid in 1936 reduced dividend arrears on the preferred stock to $20 a share at the end of last year.

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In the symphony of recovery, building is, and must continue to be, the dominant note. Or, more accurately, *re*-building!

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New houses to replace old ones. Attractive stores to replace uninviting ones. Modern roofs to replace roofs not worth repairing again.

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How long these new roofs and stores and homes will last, depends to a great extent on the kind of building materials used. How long they will remain sound investments, depends largely on their freedom from repair and maintenance expense.

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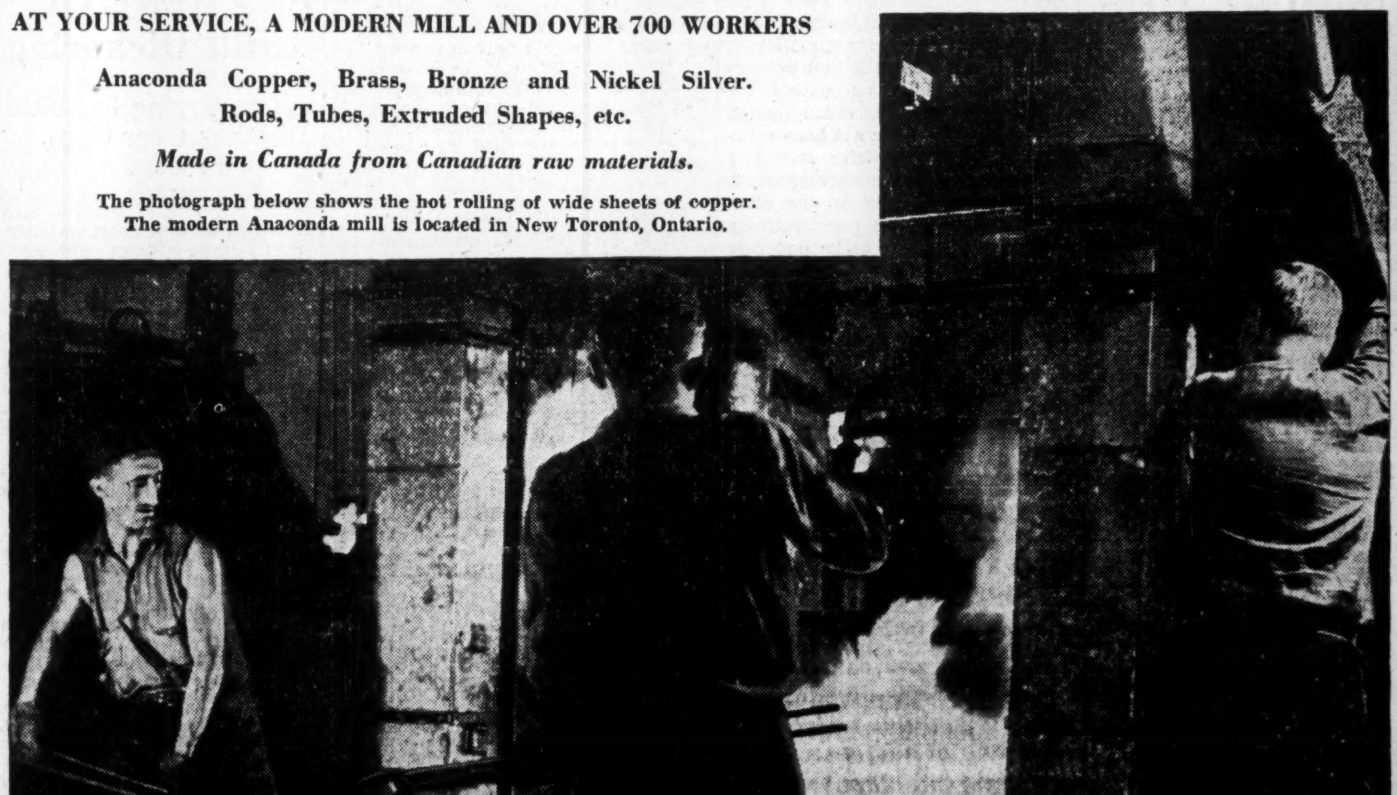
Made in Canada from Canadian raw materials.

The photograph below shows the hot rolling of wide sheets of copper.
The modern Anaconda mill is located in New Toronto, Ontario.



ANACONDA AMERICAN BRASS LIMITED
Main Office and Mill: NEW TORONTO, ONT. Montreal Office: DOMINION SQUARE BUILDING

Further Advancement
—evidenced in Annual Report!

Copy of 23rd ANNUAL REPORT Mailed on Request

New Paid-For Business Increased to $1,360,963.00
Business in Force Increased to $8,708,740.00
Payments to Policyholders .... $ 220,348.70
(Over 80% to living policyholders.)
Dividends to Policyholders—over .... $ 30,000.00
Insurance and Annuity Reserve—now $1,370,190.00
Special Reserve and Surplus—now .... $ 376,593.00

Assets are well distributed between Bonds and Debentures, Rural Mortgages and Urban Mortgages, and the Company ended the year in a strong liquid position. It confines its activities to Western Canada and is truly a Western Company for Western People.

Agents Wanted in Unrepresented Territory

SASKATCHEWAN
INSURANCE LIFE COMPANY
G. M. WILLOUGHBY President HEAD OFFICE: REGINA, SASK. M. B. FARR General Manager
Licensed in MANITOBA, SASKATCHEWAN, ALBERTA, BRITISH COLUMBIA

Investment Trends

Recent Liquidation Cushion for Stocks

Investors Advised to Keep Part of Common Stock Funds as Cash Reserve — Conflicts Appear in Share Prices

A number of security dealers have been advising profit taking in stocks around current price levels There has been substantial liquidation in recent weeks for this reason, and it has apparently been absorbed by speculative buyers. There is thus a possibility of recession in stocks from liquidation of these speculative purchases. But the results may be basically favorable because the initial sales have established substantial cash assets for reinvestment as a cushion below stock prices.

There is a distinct widening of the public investment demand for equity securities. Many investors who lost money in 1929 are getting back into stocks. This is not a healthy sign, but the substantial amount of money looking to common shares for investment indicates support for an eventual extension of the stock market boom.

One of the most favorable developments that could occur in 1937 to justify the rise of stock prices would be large crops, or even normal crops, marketed at recent improved price levels. Such a development could bring a huge new stimulus into many sections of business.

British investment continues to contribute to the strength of such shares as Brazilian Traction, C. P. R. and newsprint stocks.

Canadian flour companies have been enjoying substantially higher prices in the export market with total receipts for the year ended January, 1937, easily the best in four years. But volume, at present the lowest in the same period, still leaves much to be desired. It is estimated that at least a gain of two million barrels or 40% is needed before the Canadian milling industry could be considered on a permanently prosperous basis.

Prevalent Caution

A MAJORITY of stock market analysts continue to urge caution in making new purchases of equity securities until doubts about the present price trend in New York are clarified. Despite some spectacular advances in a few stocks, general market levels as measured by averages have shown hesitation. The significant point for Canadian investors is that the trend in New York is usually contagious as far as Montreal and Toronto industrial shares are concerned.

Railway shares have continued to lag behind industrials on Wall Street. It is possible either for the industrials to drag rail shares upward or for the uncertain trend of the rails to spread to industrial shares. This is the major uncertainty behind the advice to be cautious even at the possible expense of missing part of any future rise.

Advisory services are suggesting that clients maintain part of their common stock investment funds as cash reserves until the air is clearer.

* * *

Weighing Values

PRICES for many common shares appear to take into full account the probabilities of improved earnings this year. For the past year, investment in steel and building shares has been advised widely because of the likelihood that heavy industries will catch up with the recovery in more stable industries. This has proved profitable, but some of the construction shares seem fully valued for the present, some examples being Canada Cement, United Steel and Hamilton Bridge common.

It is notable that established dividend-paying stocks have been less buoyant recently than some of the more speculative lower-priced shares. In a period of weakness, however, the dividend payers should be firm under investment demand. The fact that dividends pay a return on the investment or meet carrying charges is more important than appears to be recognized by recent movements. It allows the holder to carry his investment in comfort even when prices are weak.

It is not difficult to calculate that many share values may be temporarily higher than actual earnings appear to warrant. On the basis of actual or prospective earnings and dividends, however, there are still common shares that seem reasonably valued, such as B. A. Oil, International Petroleum, Montreal Power, and a few less prominent like Canadian Celanese, Industrial Acceptance and Toronto Elevators. In the more depressed industries, preferred shares with dividend arrears seem to offer sufficient possibilities of profit and less risk than common shares.

Inflationary Influences

AN ECONOMIST sees dangers in the current stock market boom, and wonders whether it can be justified without more pronounced inflationary influences than he sees in Canadian business trends. This view seems to leave out of consideration the enormous recovery of capital values in the past four years. The advance of stocks and bonds under inflationary influences provides capital assets to sustain security values even under pressure of temporary liquidation from speculative sources.

The expansion of credit in Canada has outrun the demand for new borrowings, except government loans. Weakening of the price structure for industrial securities will be indicated when new issues of stocks and bonds are created. So far this has not developed to any important extent. And meanwhile public psychology favors corporation securities for investment.

* * *

Strikes Hazardous

A RAILWAY strike in Canada would be worse for this country than the General Motors strike is to the United States. The significance of strikes is that they reflect labor's effort in the general scramble of all classes for a share of the increased income resulting from economic recovery.

While strikes accompany and reflect economic recovery, they may have more serious investment implications. For instance, prolonged strikes injure corporation earnings and business recovery. On the other hand, anticipation of labor trouble may lead to temporary overexpansion of production in some industries with the result that settlement of strikes may leave surpluses to be worked off.

There is a stock market adage never to sell on strike news, and this may be justified by the fact that increasing payments to labor put money in the hands of those classes most likely to spend it and thereby keep recovery rolling. But strikes can hardly be regarded as reflecting the time to buy stocks, at least not until the effects have been established.

* * *

Dairies Better

INCREASES in the price of milk in larger Ontario cities is mostly passed on to the producers. There may be indirect temporary advantages, however, to the dairies, which are usually squeezed between the price paid for materials and the price obtained from consumers. Ice cream prices have been raised and there is a hope that the burdensome sales tax on ice cream may be modified.

All told, greater optimism is felt for securities of dairies operating in Ontario. There is talk that eventually arrears may be settled for Farmers' Dairy preferred, although recent earnings have not been satisfactory. Eastern Dairies securities have been getting more favorable attention. Silverwoods' is one company that has done comparatively well and promises to do better under its new capitalization which has simplified things.

NEW APPOINTMENT

George D. Furse, B. Sc., A.M., mining engineer, who is now connected with the statistical department of F. O'Hearn & Co. at their head office in Toronto.

Uniform Law Being Drafted

Prospectus Provisions of Dominion Act Accepted

One definite step toward uniformity in the 10 Canadian companies acts is reported by Hon. Fernand Rinfret, Secretary of State. In reply to a question in Parliament by Thomas Vien, Outremont Liberal, Mr. Rinfret stated recently that the committee of Dominion and provincial officials drafting a new act had decided to adopt the prospectus provisions of the Dominion Companies Act.

Otherwise Mr. Rinfret's report indicated further delay in preparing a uniform companies act for the Dominion and the nine provinces.

Work of Committee

Mr. Rinfret outlined the progress of the committee appointed over a year ago to draft the proposed uniform act. The first meeting was held at Ottawa from Nov. 3 to Nov. 7, 1936, with only B. C. representatives absent. Subcommittees, he said, were appointed and are now working on particular phases of the subject.

The committee reviewed the prospectus sections of the Dominion act and decided to recommend adoption of similar sections in the draft act along the lines of the Dominion statute. Amendments suggested by the committee dealt largely with the form of the prospectus sections rather than with the substance, said Mr. Rinfret, and therefore amendments had not yet been proposed for the Dominion act.

General Revision Possible

"It appears possible," Mr. Rinfret stated, "that the committee at its next general meeting may make such further progress as to enable it to submit to the Government a draft bill which would deal with other important provisions of the present act, and which might involve a general revision of the act."

Mr. Rinfret also reported that the committee has made substantial progress in arranging for better exchange of information not only on companies acts, but also in connection with administration of the provincial securities acts.

Rt. Hon. R. B. Bennett suggested that the question of the method of incorporation, by letters patent, under seal, or by memorandum and articles of association, should be considered. Hon. C. H. Cahan, who drafted the revised Dominion Companies Act, mentioned that incorporation by letters patent has been a stumbling block in previous negotiations for uniformity in companies acts.

Analysts of Canadian investment practices have urged for some years that there should be uniformity as far as possible in Canadian companies acts without relaxation of provisions for corporate information for investors. The Financial Post has taken a leading part in presenting this view. The various Governments have from time to time signified their approval of the principle of uniformity in company laws, but have not yet approached the objective.

Investment Firm Opens Office

W. E. McGaw Ltd., investments, has opened offices in the Commerce Building at 640 West Hastings Street, Vancouver.

Investment Notes

Hiram Walker-G. & W.—Strength of the shares following favorable decision on the claim for fire losses is based partly on expectations that the common dividend may be doubled, to $4 annually, if the company's claim is eventually successful. The decision is being appealed by insurance firms. E. D. Gooderham, a director, acquired 200 common shares in December, giving him a total of 1,200, and he disposed of all his 500 preferred shares.

* * *

Ford "A"—Recent strength of the shares appears to be based on capacity operations of the Windsor plants. The company is turning out cars as fast as possible on its present capacity.

* * *

Canada Dry Ginger Ale — R. W. Moore, president, in December, acquired 100 shares, holding 2,500. Charles S. Munson, a director, acquired 500 shares, doubling his holding.

* * *

Dome Mines—J. S. Bache, president, through Richmill Bahamas Co., increased his holdings by 1,400 shares in October and by 8,500 in December, raising his indirect holdings to 46,100 shares, in addition to 33,300 he owns directly.

* * *

Granby Cons. — A. S. Baillie, auditor, in December, acquired 200 shares, increasing his holdings to 2,400 shares.

* * *

Hudson Bay Mining — Henry Krumb, vice-president, holds 34,025 shares.

* * *

International Nickel — Dr. P. D. Merica, vice-president, reduced his holdings by 200 to a balance of 4,000 shares in December. Seward Prosser, a director, decreased his common holdings by 250 to 1,330 shares. Purchase of 1,000 shares in 1936 is shown by Carriers & General Corp., American investment trust. "Magpie" in the Stock Exchange Gazette, London, says, "You will see Nickel at the $100 level sooner or later."

* * *

Int. Paper & Power—M. G. Chase, a director, in December, decreased his holdings of class A common shares by 1,200 shares to a balance of 5,450 shares. He also retained 5,100 common class B, 7,800 class C, and 2,180 shares of 7% preferred.

* * *

Pantepec Oil — B. V. Becker, a director, disposed of 500 shares in December, retaining 33,229. Carl Tucker, another director, decreased his holdings by 1,050 shares, retaining 35,009.

* * *

Burns & Co.—Strike of workers at Vancouver may not be helpful for initial 1937 earnings. It has lasted over a month.

* * *

Beauharnois—Possibilities of deals for power with industries in the economic area of the plant continue to intrigue investment men, despite official announcements that the company cannot easily sell power because of its 25-cycle generators. On the other hand, it is reported that substantial blocks of bonds have been sold by Montreal interests well acquainted with the situation.

* * *

Brewing Corp. of Canada—Shareholders are to be asked to approve a change of the company's name to Canadian Breweries Ltd. What's in a name?

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's 96
1929-35:*												
High	†100.0	113.4	273.4	423.5	113.5	197.8	205.4	†100.0	†100.0	317.6	166.0	232.6
Low	....	2.8	37.7	83.6	28.0	72.1	28.5	....	....	49.3	33.1	40.9
Monthly Figures, 1936:												
Jan.	118.2	18.6	80.0	231.0	75.5	153.6	151.7	127.3	387.2	187.7	52.4	112.9
Feb.	125.0	20.2	84.3	246.5	74.0	158.7	151.7	135.4	418.2	200.0	57.0	120.7
March ..	122.2	18.5	88.7	237.3	73.1	153.0	140.1	131.7	416.3	194.8	55.5	117.4
April ...	114.3	17.5	91.0	244.5	71.3	150.7	131.7	134.1	401.8	194.2	53.2	115.9
May	108.0	16.7	87.3	234.0	68.1	145.7	131.4	128.6	394.8	187.9	52.5	112.3
June	106.3	17.5	86.5	228.1	67.4	149.2	129.3	131.0	417.8	189.3	53.3	113.8
July	102.4	18.6	87.0	224.3	66.8	153.9	131.6	137.2	428.5	190.1	53.8	114.3
Aug. . ..	103.0	18.0	89.9	218.9	68.0	157.1	135.7	142.5	444.2	191.4	53.1	114.7
Sept.	113.6	20.3	93.9	220.6	70.6	162.5	133.2	149.7	488.1	200.6	54.8	119.5
Oct.	127.3	24.4	101.9	232.5	73.4	171.7	135.6	162.6	519.3	212.3	59.8	126.9
Nov.	140.4	27.5	107.0	233.4	74.4	179.6	143.6	178.3	546.2	219.9	62.4	131.8
Dec.	139.4	29.7	112.5	215.4	73.5	182.3	145.3	181.9	540.0	212.8	62.8	129.2
Weekly Figures, 1937:												
Jan. 7 ..	149.6	35.2	114.1	228.7	75.2	183.3	140.5	194.8	546.9	221.0	67.6	136.1
Jan. 14 ..	150.8	36.7	115.4	230.1	76.5	184.1	141.3	196.9	553.9	222.6	68.8	137.7
Jan. 21 ..	160.0	38.6	120.3	230.1	78.8	184.4	141.4	199.4	548.5	222.8	69.2	138.1
Jan. 28 ..	162.8	38.6	123.0	229.0	78.9	185.2	141.1	198.0	544.3	221.9	69.2	137.8
Feb. 4 ..	161.0	38.6	120.2	229.7	78.8	185.0	140.2	198.6	553.4	222.5	71.2	139.0

*High and low of years from 1929 to 1935 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.
†1926.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Feb. 9	171.97	162.55	200.56
Feb. 8	171.70	164.22	199.97
Feb. 6	170.36	165.91	199.05
Feb. 5	169.47	165.56	197.45
Feb. 4	169.22	165.95	196.30
Feb. 3	170.06	168.59	200.02
Month ago ..	167.70	158.28	200.44
Year ago ...	137.88	131.09	134.67
High, 1937 ..	171.97	168.59	201.76
Low, 1937 ...	163.39	156.48	193.84

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Feb. 9	90.5	110.8	104.1
Feb. 8	90.4	111.7	104.6
Feb. 6	90.0	111.0	104.0
Feb. 5	89.7	111.4	104.2
Feb. 4	89.9	111.9	104.6
Feb. 3	88.7	112.3	104.4
Month ago	89.5	107.8	101.7
Year ago	70.8	76.4	74.5
High, 1937	90.4	114.0	105.7
Low, 1937	86.2	107.8	101.3

Eastern Canada Air Lines Seeks Ottawa's Co-operation

In reply to a question, Hon. C. D. Howe, Dominion Minister of Transport, stated on Feb. 1 in Parliament that a license authorizing carriage of passengers and freight had not been granted to Eastern Canada Air Lines, Moncton, N.B.

It is understood that Ottawa informed the company that permission would be granted to fly certain routes provided operating technicalities were corrected. Company officials apparently believed this had been done, as operations were started Dec. 18, 1936. On Feb. 2, it is stated, the company halted operations temporarily upon receipt of advice from Ottawa that ski equipment was not satisfactory.

Information from Fredericton is that Ottawa has not made clear to the company just what is desired in connection with equipment. Backers of the company in the Maritimes suggest that co-operation from Ottawa would facilitate commercial air transport in the eastern provinces.

An offering of shares of Eastern Canada Air Lines was made last fall.

Chem. Research Still Dickering

Directors Trying to Settle Disputes Over Gyro Process

Another meeting of shareholders of Chemical Research Corp. was held Feb. 6 at Detroit without announcement of a settlement of negotiations in connection with the Gyro Process Co., which is 60% owned by Chemical Research.

Col. T. W. Macdowell, new president of Chemical Research, informed the meeting that negotiations are still proceeding on matters in dispute between the various groups that are financially interested in the Gyro Process Co. He said that upon completion of negotiations a statement would be made to shareholders. Audit of Chemical Research business is still proceeding through Price, Waterhouse & Co.

Diverse Interests

Col. Macdowell emphasized the complexity of the dealings due to the world-wide extent of the Gyro Process business. While 60% of the stock of Gyro Process Co. is owned by Chemical Research, another 30% is held by Pure Oil Co. and 10% by Alco Products Inc., subsidiary of American Locomotive Co. Alco Products is the main licensing, engineering and sales agent. However, McColl-Frontenac Oil Co. is Canadian agent, and British manufacturing and sales rights are held by Petroleum Refineries Ltd., of Hull, England. In addition to negotiations with other owners of the Gyro Process, dealings have to be settled with the Patent Club as to fees and royalties. These fees constitute the main income of Gyro Process Co., which, in turn, is the main source of income for Chemical Research Corp.

Chemical Research officials feel that authority recently granted by shareholders allowing directors to complete negotiations should aid materially in concluding the various settlements. It is believed also that completion of negotiations will allow new licenses to be issued which would increase income from the Gyro Process.

Walker Insurance Award Likely to Be Appealed

Award of $1,810,070 damages to be paid to Hiram Walker and Sons Distilleries by several insurance companies, in connection with a fire in one of the Peoria warehouses of Hiram Walker-Gooderham and Worts in 1935, was announced last week. The insurance companies are expected to enter an appeal against the decision with argument on the appeal scheduled for Feb. 15.

Declarations of regular quarterly dividends of 50 cents a share on the common and 25 cents a share on the preferred have been made by the company, payable March 15 to shareholders of record at Feb. 19.

Easy Washing to Pay 35 Cents on Preferred

Easy Washing Machine Co. has declared two preferred dividends of 17½ cents each for the last half of 1936.

The total of 35 cents on each $10 preferred share is payable March 1 to shareholders of record Feb. 15. This will leave the shares in arrears 70 cents each.

The company is to hold its annual meeting at Fairbank, Ont. on Feb. 19.

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—Photo, Blank & Stoller.

CURB MEMBER

H. H. Rath, partner in Thomson, Mathewson & Co., stockbrokers, who has been elected a member of the Montreal Curb Market.

Mr. Rath started his business career in the Bank of Toronto. After spending 11 years in the service of that institution, in 1922 he joined the firm of Nesbitt, Thomson & Co., Ltd., severing his connection with the latter concern in 1935 to enter partnership with the company's associate firm, Thomson, Mathewson & Co., stockbrokers.

Colonial Steamships Earns Bond Interest

Colonial Steamships Ltd., Port Colborne, Ont., will show a loss of about $25,000 for 1936 after bond interest and depreciation, it is understood.

This actually represents an improvement of approximately $30,000, as depreciation is being charged at about $60,000 compared with $29,916 in 1935. This means bond interest was covered in full before charging depreciation.

The company has sold three old vessels of the 13 ships owned. Proceeds are understood to have been about $33,000, which will be used to retire as many as possible of the $275,000 prior lien bonds. This will leave 10 vessels securing the remaining prior lien bonds. There are $1,190,000 of 6% general mortgage bonds which have a junior lien on the boats.

Colonial Steamships was formed in 1933 to take over the shipping business of the former Matthews Steamship Co. Operations are on the Great Lakes and the St. Lawrence River. The company is now controlled by Sarnia Steamships Ltd.

Manitoba Pulp Cutting Subject of Comment

W. M. Scott, chief commissioner of the Greater Winnipeg Water District, in his recent annual report brings attention to heavy cutting of timber in the areas served by the water authority.

Referring specifically to Manitoba Paper Co., subsidiary of Abitibi Power & Paper Co., Mr. Scott stated that the cutting of large quantities of timber without reforestation is a very serious matter. He suggested there should be some relationship between the progress settlers make in cultivating land and the permits they receive to cut wood. Many of them, he said, are wood farmers not land settlers.

London, Ont., reports that prepayment of taxes shows marked improvement, collections in January totalling $317,000 compared with $220,000 in the same month of 1936.

New
Canadian Bond Booklet

The 1937 edition of our publication "Dominion of Canada and Canadian Provinces Funded Debts Outstanding" is now available. Information in this booklet includes:

1. Details of all bond issues, direct and guaranteed, of the Dominion and the Provinces, including the dates of issue;
2. Statutory requirements for the investment of trust funds in Canada;
3. Charts showing trend of Sterling exchange and United States exchange 1919-1936, and bond interest rates in Canada 1900-1936.

We shall be pleased to forward a copy of this booklet upon request.

Write for copy "Dominion of Canada and Canadian Provinces Funded Debts Outstanding."

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has been admitted to general partnership
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Renewal Issue

Montreal Catholic School Commission
3½% Non-Callable Sinking Fund Bonds

Bonds to be dated Feb. 15, 1937, and issued in seven, ten and twelve-year maturities, maturing respectively Feb. 15, 1944, 1947 and 1949.

The proceeds of this issue will be applied entirely for the redemption of an issue of the same amount maturing Feb. 15, 1937. The new bonds will be issued under the various Specials Acts governing the original issue.

PRICES
(The seven-year bonds have been sold)
Ten-year maturity: 99.25—to yield approximately 3.59%
Twelve-year maturity: 98.25—to yield approximately 3.68%
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Looking Forward

Just as the voyageur of old halted to scan with eager eyes the far horizons before him, so the investor pauses to look into the future, to review his investments, and to consider them in their relation to the horizons of 1937.

Now is an appropriate time to give consideration to your investment position. That the next twelve months will bring changes and new developments in various situations is inevitable, for world, industrial and business conditions are never static. An investment account can be fortified against many of the forces of changing conditions, and full advantage can be taken of new developments, if the portfolio is constantly subjected to thoughtful consideration and attention.

Our nation-wide organization is continually procuring and studying information on Canadian developments; our services are at the disposal of investors for discussion and analysis of their securities.

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Bond Markets

Softness Continues In Government List

Acceptance of Calgary and Edmonton Refinancing Plans is Expected — Ottawa Valley Power Bonds Feature Trading

Softness continues to pervade the high-grade government bond list, trading being light. Demand and offerings have both been small.

The recent downward trend of Dominion Government issues in the face of a marked budget improvement is attributed to two factors: first, uneasiness in financial circles as to the probable trend of interest rates; and second, to possible cuts in interest by Manitoba and Saskatchewan.

Many investors are convinced that there will be a definite upturn in interest rates in the near future and for this reason are refusing to make long-term commitments. In this connection they point out that bankers and economists in Canada, United States and Great Britain have recently issued warnings that the cheap money policy of governments can be carried too far and may militate against sound recovery. Furthermore they have stated that in the long run governmental control may not be able to keep interest rates from rising.

Governments may have overstressed the influence of low interest rates in the recovery period but it will be hard to convince them to change their policies. Also, public opinion is definitely on the governments' side, namely in support of continuance of cheap money. It appears that interest rates have already touched their low levels, but it is hardly likely that a sharp rise will take place unless some unseen demand for capital by industry develops.

Calgary and Edmonton

ALTHOUGH initial reaction was unfavorable, it now appears that the refinancing plans for Calgary and Edmonton, as a result of further concessions by bondholders, may prove acceptable.

In Calgary, the city council is sharply divided on the matter, but it has finally been decided to submit the plan to ratepayers some time in March. Financial men are convinced that the plebiscite will be favorable to the plan since it means immediate relief to the overburdened taxpayer.

In Edmonton, acceptance of the plan has been recommended by the city's negotiating committee. Estimated saving in 1937 in debt charges is $1 million. Furthermore, the new bonds are to be callable at any time and the city is to get the use of sinking fund proceeds, totalling $5.4 millions, for capital purposes. This excludes the necessity of the city entering the money market for several years and furthermore will enable it to carry out some much-needed maintenance and capital expenditures. If it so desires the city can retain the fund and use the annual earnings, totalling $210,000 annually, for this purpose.

* * *

Market Notes

DESPITE the fact that the radical element seems to be in complete control of the Aberhart cabinet, interest in western provincial bonds seems to have shifted to Alberta issues. Advances up to four points have been recorded by Alberta bonds recently.

British Columbia issues have been soft, declining one point. Action in Manitoba and Saskatchewan issues has been erratic, with the latter showing a slight tendency to strengthen on small demand.

In the corporation list, Ottawa Valley Power 5½'s have occupied the spotlight, advancing 11 points to 98 bid on the strength of negotiations with the Hydro-Electric Power Commission of Ontario.

Beauharnois Power 5's have advanced 1¾ points to 58. Gatineau Power and Maclaren-Quebec issues have strengthened fractionally.

Trading in newsprint issues has been comparatively small, but prices have remained firm. Price action has been of a fractional nature.

The trend of the high grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Govt. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Feb. 9	115.07	3.194	Feb. 8	113.21	3.404
Feb. 8	115.43	3.167	Feb. 7	113.21	3.404
Feb. 6	115.57	3.150	Feb. 6	113.12	3.410
Feb. 5	115.57	3.150	Feb. 5	113.16	3.413
Feb. 4	115.36	3.173	Feb. 4	113.04	3.420
Feb. 3	115.33	3.174	Feb. 3	113.04	3.420
Year's	116.81	3.026	Year's	117.91	2.966
Range	115.07	3.194	Range	111.50	3.597

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Hyd-Elec. Pr. Ont.	3½-5%	1952	Apr. 1	100
Tor. Harbor C...	4½%	1953	Mar. 1	105
B. C. Power, A	5½%	1960	Mar. 1	104½
Do., series B ..	5%	1960	Mar. 1	104½
Can Cons Rub'r	‡6%	1946	Apr. 1	110
Can. Paper, A ..	6%	1945	June 4	103½
Regent Knit ..	6½%	1942	Mar. 1	105
Toronto Carpet .	6%	1944	Mar. 1	103
Atlan. Utilities, A	5%	1963	Mar. 1	105
Viceroy Mfg. ..	6½%	1950	Mar. 1	104
Avon River Pr. D.	5%	1964	July 1	103
Randolph Hotel	*6½%	1947	May 1	105
Northern Tele. .	6%	1948	Mar. 1	102½
McColl-Fron. A	†6%	1949	Apr. 1	104
South. Canada Power, A	5%	1955	Apr. 1	102½
Woods Mfg., A .	6%	1943	Apr. 1	102
Connors Bros. .	•6½%	1938	May 1	105
Can. Steamships	5%	1943	Aug. 15	105
Chester L. & Pr.	6%	20-yr.	Mar. 1	...

For sinking fund: *$9,000. †$117,000. •Approximately $100,000. ‡Private sale between Feb. 1 and April 1, 1937, in Canadian funds.

Stock Issues:				
Toronto Elevators	7%	Pref.	Mar. 8	110
Anglo-Can. Tele.	7%	Pref.	May 1	55

Classified Advertisements

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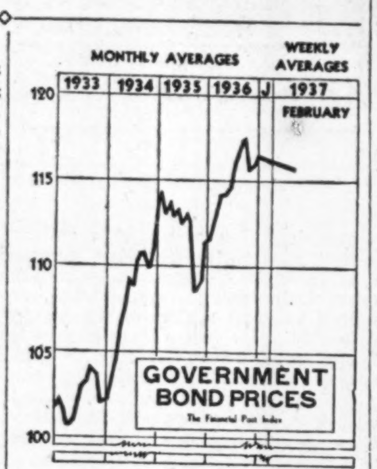

Municipal Finances

Ottawa, Ont., receipts in 1936 were $7,512,522, an increase of $375,174 over 1935. While the increase is partly due to a higher assessment, the percentage of unpaid taxes decreased. At Dec. 31, 1936, unpaid taxes were 12.94% while at end of 1935 the percentage was 13.98. Tax collections totalled $6,683,016, of which $5,620,480 were current collections. Unpaid 1936 taxes at the end of the year totalled $844,061.

* * *

Saint John, N.B., has rejected a proposal for a flat salary cut of 10% for all civic employees as a method of reducing expenditures, deciding rather on curtailment of services and discontinuance of various grants. The budget for 1937 calls for an expenditure of $1,900,609, which is $200,016 higher than in 1936.

* * *

Amherst, N.S., in its 1936 estimates provided $17,552 for uncollectible taxes, but the amount written off was only $1,162. Expenditures were less than the estimates by $2,670, while receipts from water and sundry accounts exceeded the estimate. As a result the town reports a gross surplus of $21,066 for 1936. Bank overdraft stands at $27,884, of which $10,748 is for relief account. Sinking fund stands at $621,091 against a debenture debt of $1,039,100, leaving a net debenture debt of $417,908.

* * *

Brant County, Ont., reports that capital account surplus at the end of 1936 amounted to $185,000 and current account surplus to $5,000. Current revenue in 1936 totalled $225,174 and expenditures $224,124, leaving a surplus of $1,049 on the year's operations. Debenture debt stands at $164,270, a decrease of $126,000 in four years.

* * *

Galt, Ont., relief costs in 1936 amounted to approximately $77,000, a reduction of $25,000 from 1935. The city's share of the cost was $19,250. The city's share in 1936 was paid out of the tax rate, whereas previously it was paid out of the community relief fund, which was raised by private subscription.

* * *

Edmonton, Alta., has proposed an interest-equalization deal between the city and the province through exchange of Alberta bonds in the city's sinking fund for Edmonton bonds held by the province. It is understood that the provincial government is favorable to the proposal.

* * *

Summerside, P.E.I., reports a deficit of $1,421 on 1936 operations, revenue amounting to $81,425 and expenditures to $82,846.

* * *

Perth County, Ont., had a deficit of $16,800 in 1936 as a result of increased general expenditures. The outlook for 1937 is favorable, the saving to the county from the assumption of old age pensions and mothers' allowances by the Ontario Government being estimated at $13,500.

* * *

Collingwood, Ont., financial affairs are to be the subject of an investigation by the Ontario Department of Municipal Affairs. The investigation arises out of charges with regard to actions of the 1936 finance committee in regard to rebates of taxes and tax penalties.

* * *

Bourget Twp., Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of Sept. 1, 1936; interest on past due bonds issued under by-law No. 17 to Sept. 1, 1936; and interest on past due bonds issued under by-law No. 15 to Dec. 1, 1936.

* * *

Winnipeg, Man., reports that despite a small decrease in the number of relief recipients, the cost to the city in 1936 was slightly higher than in 1935. Total costs for the year were $4,078,000, compared with $3,938,000 in the previous year. The city has requested the Dominion and Provincial Governments to continue relief grants at the 1936 level, since the proposed reduction of 5% will, it is estimated, mean an additional cost of $250,000 in 1937.

PRESIDENT

Ford S. Kumpf, president of the Dominion Life Assurance Co., Waterloo, Ont., who has been elected president of the Waterloo Trust and Savings, succeeding the late Edward F. Seagram.

C.P.R. Paying On Preferred

First Dividend Declared Since Oct. 1, 1932

Directors of Canadian Pacific Railway Co. have declared a dividend of 1% on the 4% noncumulative preference shares, payable April 1 to shareholders of record March 1. This is the first payment since 2% was disbursed Oct. 1, 1932.

The 1% payment just declared is from 1936 earnings which are expected to cover the full dividend requirements on the preferred. Since payments are ordinarily made semi-annually on the preferred stock, the rate seems to indicate 2% annually. The next disbursement would ordinarily be due Oct. 1.

Official Statement

In announcing the dividend, directors stated it was based upon results for 1936, having in mind the company's obligations as guarantor of interest on securities of Minneapolis, St. Paul & Sault Ste. Marie Railway Co. The statement adds: "The year's earnings, and therefore the rate of dividend on the preference stock, have been affected by the very unfavorable drought conditions in the territory served by the company and also by the 'Soo Line,' which resulted in substantial curtailment of the earnings for the last quarter of the year."

Dividends on the C.P.R. preference shares were made without any interruption until payments due in 1933 were passed. Never before was there a semi-annual payment at half the regular rate.

There is £28,203,477 of preferred stock outstanding, in shares of £1 each. In dollars, the full dividend of 4% annually would require payments of about $5.4 millions.

Obituaries

Dr. George H. Locke, chief librarian of Toronto since 1908, and internationally known historian. He was a member of the senate of the University of Toronto, the board of regents of Victoria College, The British Library Association and The Ontario Historical Association.

Hon. Charles Marcil, M.P., LL.D., for 37 years Liberal member of the House of Commons for Bonaventure. Speaker of the House from 1909 to 1911. He died in Ottawa at the age of 76.

R. H. Arnott, industrial secretary of the Vancouver board of trade since 1928. He was 51.

Listed Bonds

Week Ended Feb. 8, 1937

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. & P. Debs.	3	'39	50⅜	50¼	50¼	50¼
McNish	6	'48	3.75	3.70	3.85	3.50

Textile Data Not Accurate Kellock Says

Counsel Challenges Figures Used by McRuer at Probe

There are numerous inaccuracies in statements of finances of textile companies filed by Commission officials with the Turgeon Royal Commission enquiring into the textile industry. So says the submission of R. L. Kellock, K.C., on behalf of the Primary Textiles Institute.

The Financial Post understands that some of Mr. Kellock's figures are likely to be accepted by investigators for the commission and that their own figures will be explained as an attempt to arrive at comparable total earnings for the various companies. Commission workers claim, however, that they do not alter the contentions based on the information.

Criticizes "Net Profit"

Mr. Kellock's contention is that the term "net profit" is used throughout the various statements without qualification when the real meaning differs in individual cases. He says "net profit" should mean only one thing, the net amount available for dividends after including all income and all expenses including interest and income tax. He states that in some cases the commission auditor designates net profit before bond interest and in practically all cases shows it before allowing income tax.

Mr. Kellock suggests that the only proper earnings to consider to measure the profitability of an industry is the net profit available to all shareholders, or to bondholders and shareholders, after income taxes.

For Monarch Knitting Co., Mr. Kellock submits contrasting percentages available on the common shares. Those shown by the commission auditor, he says, indicate an average return of 3.3% on the common over 10 years, whereas there was really a decrease of $55,208 in the common stock equity in the period.

Mr. Kellock says the commission auditor attempted to show in the cases of Dominion Textile Co. and Canadian Cottons that earnings were understated by charging excessive depreciation, or by charging plant improvements against profits. He claims that appraisal values of plants were added back to show total profits; but that when it came to calculating capital employed in the industry no allowance was made for such appreciation in asset values.

In the case of Penman's Ltd, Mr. Kellock states that the commission counsel fails to make allowance for profits left in the business as additional capital. He shows an average of 5.7% profit on shareholders' equity in Penman's over 10 years, excluding goodwill from the equity. He adds that in the case of Monarch Knitting Co. counsel for the commission contrasts the profits with the capital invested. Mr. Kellock says that for the 10 years, 1926 to 1935, the average annual net profit was only 3.07% of the shareholders' book equity. Consideration of profits without regard to whether they are invested in plant or are actually in a form to be paid to shareholders is described by Mr. Kellock as "extremely misleading."

Earnings and Sales

For the various sections of the textile industry, Mr. Kellock calculates net profits and actual dividends in relation to sales as follows:

Division:	—Percentage to Sales— Net profit %	Average dividends %
Cottons	5.6	5.5
Knit goods	2.3	2.3
Woollens	4.9	2.2
Hosiery	7.9	4.4
Art. silk	17.7	8.1
Real silk	6.0	3.2
Carpets	7.2	4.3
Papermakers' felts	16.1	5.9

Net profits of the industry, available to shareholders, is only about 20% of the wage bill, says Mr. Kellock. He adds that other operating costs, and the writing off of capital assets, really represent other disbursements to Canadian workers by the textile industry.

NOTICE to HOLDERS OF DEBENTURES

Issued by

The City of Calgary, Canada

The Sinking Fund Trustees of the City of Calgary will apply on Monday, the 8th day of March, A.D 1937, at 10 A.M. in Chambers in the Court House in Calgary, Alberta, for advice and directions involving the rights of Debenture Holders as against the Consolidated Sinking Fund of the City of Calgary and as amongst themselves.

Such advice and directions are necessary because by reason of various causes the moneys and investments held are in actual value materially less than the actuarial requirements of the Fund, and because the future earnings of the Fund are in imminent danger of being reduced below the statutory requirement

The Trustees have caused an Originating Notice to be issued returnable on the above date, and the said Notice and Affidavit of the Chairman and Secretary of the Trustees may be seen at the Office of the undersigned, 227a Eighth Avenue West, in Calgary, Alberta, and copies are lodged with the principal Offices of the Branches or Agencies of the Bank of Montreal in Vancouver, B.C., Edmonton, Alberta, Regina, Saskatchewan, Winnipeg, Manitoba, Toronto, Ontario, Montreal, Quebec St. John, N.B., Halifax, N.S. New York, New York, and London, England.

FURTHER TAKE NOTICE that the following persons have been by the Court appointed to represent for all the purposes of this proposed application the category of Debenture Holders set opposite their respective names and addresses, namely:

J. E. A. Macleod, K.C., Canada Life Bldg., Calgary, Alberta, Holders of Debentures outstanding 1st day of June, A.D. 1925.

D. S. Moffat, K.C., Grain Exchange Bldg., Calgary, Alberta, Holders of Debentures issued since 1st day of June, A.D. 1925.

A. MacLeod Sinclair, K.C., Insurance Exchange Bldg., Calgary, Holders of Local Improvement Debentures.

W. H. McLaws, K.C., Canada Life Bldg., Calgary, Holders of Debentures issued in respect of Public Utilities in the City of Calgary.

H. G. Nolan, K.C., Lancaster Bldg., Calgary, all Holders who may fall within any other category or categories.

All interested Holders of Debentures of the respective categories should arrange with one or other of the above named to present to the Court on the application any view they are advised in support of any contentions they may desire to raise. All Debenture Holders are entitled to be present at the hearing in person or by Counsel or Agent, subject, however, to the discretion of the Court to disallow costs to all others than the appointed representatives.

The Order made may declare rights and give directions, and will be binding on all Debenture Holders.

Any further information desired may be obtained from the undersigned.

DATED this 5th day of January, A.D. 1937.

TAYLOR & TAYLOR,
Solicitors for the Sinking Fund Trustees of the City of Calgary, 227a Eighth Avenue West, Calgary, Alberta, Canada.

Form Approved
(SIGNED) "A. H. Clarke"
J. S. C.

Income Tax Problems

I was much interested in your discussion of taxation of transfers from bad debts reserve to surplus account for dividend distribution. You state that, generally speaking, such transfers are subject to tax on the grounds that they represent distribution of untaxed profits. Further you point out that if the income tax department considers the bad debts reserve too large, it may insist that it be reduced, the amount of the reduction being subject to tax.

Does this mean that the department has the power to arbitrarily determine the amount which a company sets aside as a reserve for bad debts? If so, is there not some way in which accounts may be drawn up so that this may be overcome?

The income tax department has no right to determine for any company what it shall set aside as a reserve for bad debts. It does, however, determine for the purposes of income tax what is a fair total to maintain in bad debts reserve. Usually this amount is based on a proportion of accounts receivable.

If the reserve is considered excessive by the department, it may require payment of income tax on that portion by which it is in excess. But it cannot insist that a portion of the funds in bad debts reserve be appropriated to any other account. In other words, only the company has the right to determine the amount of the reserve, although the department may require payment of tax on any part of the total which it considers excessive. Any portion of the reserve on which taxes have already been paid may be used as the company sees fit, without further taxation, of course.

Some organizations prefer an arrangement by which in arriving at assessable profits the department allows only the bad debts actually written off during a year. By this method, the company builds up a tax-free reserve out of profits. Then all bad debts are charged against the reserve, and it is credited with any amount the company wishes.

At the end of the year, if the balance in the reserve has shown an increase, it indicates that more than the actual bad debts was set aside during the year. In this event, the increase in the reserve is credited back to profits for income tax purposes and is subject to tax. On the other hand, should the reserve have decreased during the year, it means that less than actual bad debts has been set aside. In this case, a deduction would be claimed from profits for income tax purposes.

This is a regular feature of The Financial Post. If you are a subscriber your income tax problems will be answered here.

Foreign Exchange

Dullness in sterling and a bearish outlook on French francs feature foreign exchange markets.

The trend in sterling, which is contrary to the seasonal movement, is taken to reflect general uncertainty in regard to the future course of exchange rates, particularly those of the countries adhering to the international exchange agreement. Quotations for future francs continue at a sharp discount, although operation of stabilization funds is maintaining the spot value.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	Feb. 2	Feb. 3	Feb. 4	Feb. 5	Feb. 6	Feb. 8
U. S. Dollar, High	1.00 1/32	1.00 1/32	1.00 1/16	1.00 1/16	1.00 1/32	1.00 1/32
Low	1.00	1.00	1.00 1/32	1.00 1/32	1.00 1/32	1.00 1/32
1936 High	0.99 31/32	0.99 31/32	0.99 31/32	0.99 31/32	0.99 31/32	0.99 31/32
Low	0.99¾	0.99 15/16	0.99¾	0.99⅞	0.99⅞	0.99¾
U. K. pound	4.90¼	4.90	4.89¾	4.89½	4.89¾	4.89¾
Australia	3.92½	3.92¼	3.92	3.91¾	3.92	3.92
Austria	.1875½	.1875½	.1876¼	.1876¼	.1876¼	.1874¼
Belgium	.1687¾	.1687½	.1687½	.1688¼	.1689	.1689
Brazil	.0610	.0615	.0620	.0610	.0612	.0620
Czechoslovakia	.0349½	.0349¼	.0349¼	.0349¼	.0349¼	.0349¼
Denmark	.2189¼	.2188¾	.2186¼	.2186¼	.2187¼	.2187¼
France	.0466½	.0466¼	.0466	.0465½	.0466	.0466
Germany	.4024¾	.4024¾	.4026	.4026	.4026	.4026
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5477¾	.5477¾	.5479½	.5479½	.5479½	.5479½
Hungary	.1980½	.1980½	.1981¼	.1981¼	.1976¼	.1981¼
India	.3708¼	.3709¼	.3709¼	.3704¼	.3704¼	.3705¼
Italy	.0526½	.0523½	.0526¾	.0526¾	.0526¾	.0526¾
Japan	.2855	.2859	.2859¾	.2853¾	.2856¾	.2857¾
Jugoslavia	.0233½	.0233½	.0233¾	.0233¼	.0233¾	.0233¾
New Zealand	3.95	3.95¼	3.95	3.95	3.95	3.95
Norway	.2464¼	.2463¾	.2461½	.2460½	.2461½	.2461½
Poland	.1895	.1896	.1897	.1897	.1896	....
South Africa	4.89¼	4.89	4.88¾	4.88½	4.88¾	4.88¾
Sweden	.2528¼	.2527¾	.2528½	.2524½	.2526	.2525½
Switzerland	.2289¾	.2289¼	.2288½	.2286½	.2286	.2287
Hong Kong	.3054	.3054	.3054	.3047	.3050	.3049

Modern Plant Designed By Austin Company

The illustrations of modern industrial plants which appeared at the top of the page featuring "The Modern Factory" in The Financial Post of Jan. 23 were supplied through the courtesy of the Austin Company of Cleveland, U. S. A.

These designs were prepared by the architects and engineers of that organization, but unfortunately a credit line to that effect was omitted.

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Renewal Issue

$4,550,000

Montreal Catholic School Commission

3½%

Non-Callable Sinking Fund Bonds

Issue to be dated February 15, 1937

$2,000,000 seven-year bonds maturing February 15, 1944
1,000,000 ten-year bonds maturing February 15, 1947
1,550,000 twelve-year bonds maturing February 15, 1949

(Statutes of Quebec 20 Geo. V, ch. 58, 21 Geo. V, ch. 62 and 22 Geo. V, ch. 60. Resolutions adopted by the Administrative Commission of the Montreal Catholic School Commission February 12, 1932, January 20, 1937 and February 8, 1937)

Principal and semi-annual interest (February 15 and August 15) payable in lawful money of Canada in Montreal, Quebec or Toronto, at the holder's option. Coupon bonds in denominations of $500 and $1,000 which may be registered as to principal.

Legal opinion: Mr Arthur Vallée, K.C., for the Commission, and Messrs Geoffrion and Prud'homme for the Purchasing Syndicate.

All the bonds of the present issue are a direct and primary obligation of the Montreal Catholic School Commission. They will be countersigned by the Director of Finance of the City of Montreal who is bound by law to retain every year, from the proceeds of school taxes in the City of Montreal, a sum of money sufficient to pay the interest on the bonds issued by the Catholic School Commission and to form, on the basis established by the governing Acts, a Sinking Fund for the redemption of the loans represented by such bonds. This has the effect of creating, for the benefit of the holders of bonds issued by the Catholic School Commission, a first charge on the revenues derived by that body from school taxes. In connection with this privilege it should be remembered that the collection of all the school taxes which are levied on property located within the limits of the City of Montreal is entrusted by law to the City itself and that this body is under the obligation of remitting to the school authorities their proportion of the levy whether the taxes have been collected or not.

It is estimated that there are now 790,000 people of Roman Catholic faith in the City of Montreal as against 624,209 in 1931, according to the Federal Census. In the 228 schools operated by the Montreal Catholic School Commission, 122,604 pupils are enrolled at present. Last year the pupils numbered 121,656.

PRICES

(The $2,000,000 seven-year bonds have been sold)
Ten-year maturity: 99.25—to yield approximately 3.59%
Twelve-year maturity: 98.25—to yield approximately 3.68%
(plus accrued interest after February 15, 1937)

We offer these bonds as, if and when issued and subject to the approval of our Counsel.

It is expected that bonds in interim form will be ready for delivery on February 15, 1937.
The exchange of interim bonds for definitive bonds should take place not later than March 5, 1937.

A. E. Ames & Company, Ltd. L. G. Beaubien & Co., Ltd. The Dominion Securities Corp., Ltd.
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TORONTO, FEBRUARY 13, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Rail Strike Would be Unpopular

CANADIAN railway workers are talking vaguely of going on strike to obtain immediate restoration of the full measure of pay cuts they have suffered.

Such a strike would do them incalculable harm and win them little sympathy. What the organized railway workers do not realize is that throughout Canada, and particularly among the farming population there is a very strong feeling that railway wages are out of line with the average incomes of Canadian people.

If the high wages paid to railwaymen are not equitably distributed among them that is the fault of their own antiquated seniority and other rigid rules.

There are a good many types of workers in Canada who have an increase in wages coming to them before the most highly sheltered group of organized workers in Canada grab off a higher share by brute force.

Farm Implements and Prices

MINOR increases in prices of farm implements, effected since tariffs were reduced from 25% to 7½%, have been under discussion by a special committee of the House of Commons at Ottawa. Manufacturers state that prices of Canadian-made implements are lower than in any other country served outside North America. It is further asserted that if prices were lowered to the 1935 scale, retail quotations for Canadian-made implements would be lower than prices in the United States.

As a matter of fact, rising costs of raw materials and labor may force further increases in implement prices in Canada. Provided prices of farm products are advancing much faster than prices of manufactured goods, however, the farmer should gain rather than lose. The implement manufacturers realize fully that their own recovery efforts depend for their success largely upon improvement in crops and prices to the benefit of the farmer's income.

In fairness to the implement industry, it hardly seems that the Canadian manufacturers will be able to raise prices excessively in view of increased competition from abroad. And, without pleading for tariff favors, it seems reasonable that this depressed industry, like agriculture itself, should be kept as free from political tinkering as possible while it is striving for recovery.

It is well known that the Canadian implement manufacturers were not making profits on their invested capital, but rather had substantial losses, even under the former 25% tariff. The effect of tariff reduction was to increase imports which, in the last nine months of 1936, were almost 80% above the same period of 1935.

Policyholder Directors

MOST Canadian life insurance companies have held their annual meetings. As usual there has been forceful and very proper emphasis placed on the co-operative feature of the life insurance business. As A. B. Wood, president and managing director of Sun Life of Canada said this week:

> "Life assurance is a co-operative undertaking operated in the interests of its members. Policyholders, drawn from all classes of society, are brought into co-operation with each other through the agency of the life assurance company for the purpose of making financial provision against the hazards of premature death or indigent old age."

Some of these companies are actually mutual enterprises and the directors represent the policyholders. In joint stock companies, policyholders are represented in the management by policyholder directors. Whether or not they are representative of the policyholders is another point.

Not more than a few score life insurance policyholders in Canada can name the men who represent them on these boards. That this is so may be a mark of confidence; the policyholders are satisfied with the results. If they were disappointed they would quickly want to know who was representing them. But another reason is that shareholder and policyholder directors are pretty much like peas in a pod. A successful industrialist; a bank president or general manager, a leading statesman, an outstanding lawyer.

Good men, these directors, no doubt, and men who bring mature wisdom and judgment to their task. But are they really representative of the policyholders? Are they even chosen in any democratic manner by the rank and file of citizens who really co-operate to make insurance possible? Only the other day one company "elected" as a policyholder director a man who had previously owned a controlling interest in the shares.

Bruce Barton put the thing in a nutshell when he said recently:

> "We shall see much reorganization of boards of directors. I venture the prediction that the time will come when the great industrial concern will have on its board one or more representatives of the public. This representation may be on a revolving basis. The public director this year may be an Iowa farmer; next year a country doctor from Alabama; the third year a school teacher from Massachusetts."

He was talking about industrial concerns, but isn't there a striking, constructive thought here for life insurance companies who live and breathe so enthusiastically in the co-operative atmosphere? As Business Week said in commenting on the Barton idea, "Such an action would carry greater conviction to the public than years of speeches or miles of glowing press releases."

The Royal Winter Fair did something of the sort last year when it elected to its board a young student from the Ontario Agricultural College.

The most democratic thing in finance is a life insurance company. Life insurance has nothing to lose from making a shirt-sleeves and overalls demonstration of that fact. It would be interesting to know—not only what present boards of directors, but what the field force and the policyholders think of the Barton idea. Or better still an enterprising company might try the plan out and see how it works.

Ontario Hydro Breakdown

A BREAKDOWN has occurred in one of the 50,000-h.p. generators at the main Chippewa plant of the Ontario Hydro on the Niagara River. It is reported unofficially that complete repairs will require six months. Hon. A. W. Roebuck, attorney-general and a member of the Hydro Commission, says there is nothing to worry about, that there are plenty of units to handle the power load situation.

Mr. Roebuck may be correct in his assurance, especially as peak power loads decline as spring approaches and the days become brighter. He neglects to admit, however, that if such a breakdown occurred in November or December, when the power load grows to its peak, it would be a grave matter. The breakdown illustrates only too plainly the need for adequate reserves of power for 1937 and for subsequent years when the power load seems likely to grow.

Perhaps this latest development will convince Premier M. F. Hepburn that revision of the Ontario Government's power policy is necessary, not only in the interests of the good name of Ontario and of the savings of small investors, but in the interests of the Hydro itself.

Marx Fathered Social Credit

KARL MARX, who is regarded as one of the progenitors of the Russian Soviets, should also be given the dubious distinction of being the author of fallacies that led to what is called Social Credit. In a dispassionate appraisal of Marx in the New York Times, R. L. Duffus summarizes the Marxian argument for the collapse of capitalism, in part, as follows:

> "The competitive society set up by the bourgeoisie was more productive at first than the feudal system which it superseded had been, but it contained within itself the seeds of its own destruction. Since the employers paid the worker less in wages than he produced in goods they had a surplus of goods which the worker could not buy back. Competition forced improvements in production which made this surplus constantly greater. The employers had to get rid of it in order to remain solvent. Consequently they had continually to seek new markets, in process of which capitalistic wars were sure to break out. But even wars could not prevent periodic gluts. These led to crises and depressions, which Marx believed would come oftener and with increasing severity until the capitalistic system collapsed."

Major C. H. Douglas, the modern promoter of Social Credit, uses the same arguments, and so does Premier Aberhart, of Alberta. Unlike Marx, however, they both believe capitalism, private property and the profit motive, should be retained. Neither recognizes the essential fallacies in Marx's argument. These fallacies are exposed concisely in the cautiously worded Bulletin of the New York Stock Exchange in its comments on U. S. income in 1936:

> "The nation could not easily have produced 50% more goods and services. A number of industries are already finding it difficult to meet the demands made upon them, and prices have been bid upwards as it is. Accordingly, a resumption of normal money circulation rates, with corresponding increases in income, would have involved sharp increases in the general price structure."

The fact is that there is not the excess supply of goods above purchasing power conjured up by Messrs. Marx, Douglas and Aberhart. Their chief error is the effort either to break down the existing machinery of production or to ruin it by issuing inflationary "purchasing power" in excess of requirements.

The simple truth is that the surest way to improve the lot of mankind is to produce more goods to be divided up among the people, and not to interfere with production machinery nor to increase prices by inflationary Social Credit schemes.

Markets Are Chief Fish Problem

A FEATURE writer in the Halifax Herald has been looking into the returns received by Lunenburg fishermen. Risking their lives in small dories on the wintry Atlantic Ocean these men get around 1½ cents a pound for their catch which returns them about 5 cents an hour for the time they work. This writer condemns the "marketing system."

The low returns received by Atlantic coast fishermen gave the Price Spreads Enquiry many difficult hours. The final report was unable to find much evidence that the fish distributors, the wholesalers or the retailers were exploiting the fishermen. It found reasonably satisfactory explanations for all the elements in the spread between what the fisherman gets and what the ultimate consumer pays. Yet it is felt that the present system of distribution must be far from efficient if it could not return better prices to the fishermen.

The chief proposal the Royal Commission had to make was for a quasi-political board to control the industry. More realistically the reservations of Messrs. Ilsley, Factor and Boulanger showed that such control was unlikely to prove a panacea, particularly as the basic difficulty is the narrowness of markets.

Under the reciprocity treaty, Canada has increased its exports of fish to United States markets but only in small degree since the treaty was not particularly favorable to the fish industry.

Editorials in Brief

The headlines speak of it as the Tory coal probe but what does Mr. Bennett think of that?

• • •

There would be no one in Canada but Indians and Eskimos if the nation had not been built up by successive waves of immigrants. Our greatest periods of development and prosperity have been periods when new citizens were pouring in.

These facts are often forgotten by those despairing folk who feel that to permit new citizens to come to Canada would destroy our economic and social life. Not among the weak-kneed on immigration is R. O. McCulloch, president of the Mutual Life of Canada. At the annual meeting of his company he made a plea for the formulation of a definite immigration policy by the Dominion Government.

Another business leader who sees the need for immigration is W. G. Watson, general manager of the Toronto General Trusts, who said at his company's meeting:

> "Among our plans to improve our position and develop our resources we should open our doors each year to a reasonably limited number of selected families from Great Britain and Northern Europe—men and women who know and love the soil—men also who are accustomed to mining, for it is becoming increasingly difficult to get experienced or competent men in Canada for this great industry which is so rapidly increasing its output from year to year and will continue to so develop for years to come."

• • •

University of Toronto Quarterly has an article in its January number by Escott Reid on Mackenzie King's foreign policy. Mr. Reid lists seven points at which Mr. King has made Canada's foreign policy clear and seven at which he has left it ambiguous or uncertain. He then adds:

> "But if Mr. King were to give unambiguous answers to the seven questions he has left unanswered, he would raise a tremendous political storm in Canada. Parties would split. Passions would be aroused. The national unity of Canada would be subjected to severe strains."

This would seem to provide effective approval of Mr. King's policy of not being rushed into commitments in advance of a crisis. But apparently not so far as Escott Reid is concerned. He seems to think it would be dangerous to have all these things happen if and when war broke out. So he would have Mr. King provide the answers now, precipitate a "preventive" crisis, and let us get over it before war comes.

An argument in favor of deliberately providing a crisis now in order that we might avoid one in the event of a war breaking out seems to us to be stupidly childish. It is like telling a man to commit suicide now because of the possibility that he may meet with a fatal accident later; or to swallow scarlet fever germs in the summer time because it is nicer to have scarlet fever in the summer than in the winter.

Sayings of the Week

"No short cut (to prosperity) has anything to offer us."—*Thomas Bradshaw.*

• • •

"It is more important to prevent evil legislation than to get good laws."—*Carter Glass.*

• • •

"The United States is willing to be friends but not allies of the rest of the world." — *Cordell Hull.*

• • •

"I would do anything to prevent war but it takes two to make peace." — *Hon. Ernest Lapointe.*

• • •

"We can still build ships better and quicker than any other country in the world." — *Sir Samuel Hoare.*

• • •

"There are many make-believe madmen in the music world. I respect only the real madmen."—*Richard Strauss.*

• • •

"It is a fatal mistake to use high interest rates as a means of damping down a boom." — *John Maynard Keynes.*

• • •

"I did not think we should ever be asked to go to war again on the same old slogans. I thought new ones would be devised."—*Agnes Macphail, M.P.*

• • •

"If the people desire that the Federal Government shall have control over their local affairs it is for the people to say—the court has no right to speak for them."—*Senator Borah.*

• • •

"Canada, New Zealand, Australia and South Africa occupy one-seventh of the world's area and have one-seventy-fifth of the world's population."—*Rt. Hon. R. B. Bennett.*

• • •

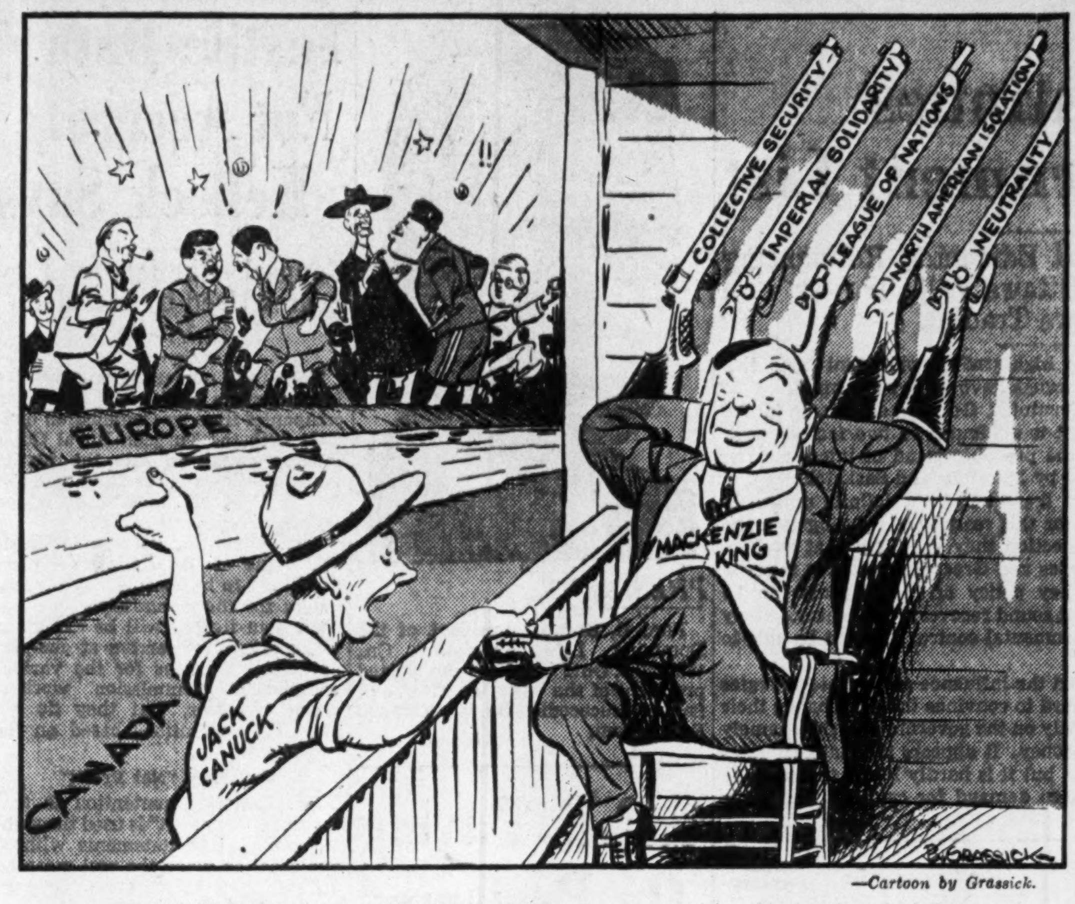
"A lowered mental or physical vigor leads men to avoid an examination of complicated and changed conditions. No president should be asked to determine the ability or disability of any particular judge."—*Franklin D. Roosevelt on the Supreme Court.*

• • •

"I am quite willing as we must all be willing, to forgive, but I think in the interests of this country we ought not to forget this particular transaction."—*Hon. Norman McL. Rogers on the Bennett social reform programme.*

• • •

"So long as there is a conflict between good and evil in the world those who wish to see the good triumph must take every possible means to prevent evil from gaining control."—*Rt. Hon. Mackenzie King on Canadian neutrality.*



—*Cartoon by Grassick.*

MR. KING: "Don't get excited. Let's choose our weapon when the shooting starts."

What Leaders Say

Those "Capitalists"

By THOS. H. WOOD,
President, Toronto Mortgage Co., addressing annual meeting.

The people who have entrusted us with the safeguarding of some of their hard-earned savings consist of shareholders, depositors and debenture holders. These three groups aggregate 1,910, so that their average holding is just about $2,700 each.

Taxes on Real Estate

By W. G. WATSON,
General Manager, Toronto General Trusts Corporation, at annual meeting.

One feels that with some reasonable reduction of the tax burden on real estate, together with the removal in whole or even in part of the restrictive legislation affecting the attractiveness of first mortgages on real estate as an investment, we should shortly have under way an upturn in the market for real estate and in the construction industry generally, which is long overdue. Under such improved conditions there would be ample money available at fair rates of interest to provide not only for new homes, repairs and alterations to others which, added to the necessary expenditure of funds in the renewal of obsolete plants, railway equipment, etc., should shortly result in a marked increase in employment.

Trend of Interest Rates

By ARTHUR B. WOOD,
President and Managing Director of Sun Life of Canada at company's annual meeting.

The present low interest rates obtainable on fixed interest-bearing securities require that consideration be given to the effect on security values of a change in the general level of interest rates. While opinion as to the trend in the immediate future is divided, there are definite signs of a growing conviction among investors that interest rates have reached their low points.

Whether or not this will prove to be the case, we may say with confidence that interest rates will eventually again move upward. The inevitable effect will be that the market values of securities yielding low rates will correspondingly fall. This is a matter of concern to institutions whose fundamental character requires the constant acquisition of long-term securities and it emphasizes the appropriateness of the book value or amortization method of valuation for life assurance companies whose securities are acquired as permanent investments.

We Have Problems Yet

By THOMAS BRADSHAW,
President, Toronto General Trusts Corporation, at annual meeting.

In our own country I should like to add, by way of warning, that although we are emerging into better times we are not advancing toward an unclouded horizon. A number of fundamental problems vitally affecting the future of our country remain unsolved. We must know that on their proper solution depends our prosperity and the future of our country. They can, and I believe they will, be solved step by step. No short cut has anything to offer us. All of us, I think, are agreed that while we can legitimately take pride and renewed hope in the improvement which we as a nation are now enjoying, this is all the more reason why we should not allow ourselves or public opinion to forget our difficulties and to degenerate into mere careless optimism, with its resulting boom spirit and overspeculation.

Freedom Without Security

By HON. HERBERT A. BRUCE,
Lieutenant-Governor of Ontario, addressing annual meeting of National Life Assurance Co.

One has only to think of men and women on relief; the hesitations and fears of the underpaid who need medical or dental care; one has only to realize that in Canada there are hundreds of thousands who for economic reasons dread a doctor's visit when rightly they should welcome him, and one will be conscious that by adequate social legislation and national health insurance a great injustice would be banished from this great democracy of ours and a great wrong righted.

Freedom without security is but one definition of anarchy, and so long as security from the ravages of ill health is regarded as a personal, individual responsibility, so long as great masses of the people live in daily fear of the economic cost of ill health, so long as sickness means impoverishment and the spectre of want haunts the bed of pain, just so long will democracy be indistinguishable from anarchy.

Wanted Immigration Policy

By R. O. McCULLOCH,
President, Mutual Life of Canada, at company's annual meeting.

Some discussion has recently taken place with regard to immigration. It may be said that if the growth of population is to be determined by natural increase, the development of our country will be extremely slow and the burden of debt arising from the provision in the past for a large population, will be very heavy on our citizens for many years to come. If our western areas are to be adequately populated within a reasonable period it seems to me that we should look to the densely populated areas of northern Europe for our agricultural recruits. It is probable that the unrest in Europe at the present time might provide suitable immigration and I think that a definite policy by the Federal Government at the present time would not be considered premature.

Mining and Prospecting

By HON. CHAS. McCREA, K.C.,
Vice-President, Toronto General Trusts Corporation, at annual meeting.

The mining industry continues to grow apace, and the volume and extent of this basic industry is one for congratulation. Its contribution to industry, labor, the railways, lumbering, the coal and coke industry, shows substantial improvement.

The mining industry is a hazardous one, but is nevertheless a great, legitimate business which is steadily adding to Canada's wealth, and helping substantially to lead Canada back to prosperity. This wealth is new wealth.

Post-Scripts

Stupid Propagandist

CANADIANS bought $150 millions of raw cotton from the United States last year yet Clarence R. Bitting, of New York, who sends out lovely thick letters "to assist American agriculture,"—which letters are typed on cotton—seems to delight in broadcasting such "economic isolation" propaganda as the following.

> "The great development of this country (the U. S. A.) and in turn its high standard of living, which is the highest in the world, has been due in large part to the fact that the doctrine of the home market for the home producer has been a guiding principle since the days of the nation."

He says nothing about the large export trade needed to keep U.S. cotton-growing alive but proceeds:

> "We have, probably to a greater extent than any other nation, a self-contained economy. Other nations are attempting to create individual or group self-containment as rapidly as possible. To the extent that we must engage in foreign trade we lay our whole economic structure open to foreign influences.
>
> "National well-being and national defense both require a high degree of self-containment. One of the ways to assist in attaining this much to be desired condition is through the production of our own necessities.
>
> "If you agree that America is for Americans it is respectfully suggested that you do your part to establish that condition — the American Market for the American Producer."

Mr. Bitting's sentiments are silly enough even when he confines them to his own countrymen but when he sends them broadcast to Canadians (two of his letters reached The Financial Post office alone) they become doubly absurd.

Nevertheless we have seen funnier things than the spectacle of an American cotton exporter arguing for a closed home market. At one exhibition, designed to promote "Made-in-Canada" doctrines, we were given a souvenir stamped "Made in Czechoslovakia." And on another occasion a letter of protest circulated about a Canadian firm that happened to place some of its fire insurance in an American company was printed in the United States. The grim jest of that letter is that the company protested against was in the printing business!

Recipe for Peace

By JAMES D. MOONEY
Vice-President of export division, General Motors Corp., at annual dinner of Rochester, N.Y., Chamber of Commerce.

Europe is heading definitely toward war. Here is my summary of the European war situation, for whatever you may consider it worth:

> First: The present definite trend toward a great war in Europe will not be interrupted or reversed until Germany is taken off the warpath.
>
> Second: Germany will not be taken off the warpath until some means are provided for removing the threat of starvation that imposes itself upon 60 million German people.

Here is my suggestion for a gamble toward halting the impending war on Europe:

> On one hand, let England, France and the United States jointly undertake to put into effect such financial and trade agreements with Germany, as will ensure to Germany:
>
> 1. An abundant supply of food.
> 2. A supply of such raw materials as are necessary to support her industry devoted to maintaining her standards of living on the level of her cultural standards and on the level of the other western countries.
>
> On the other hand, let Germany undertake, in consideration of such arrangements, to reverse her present programme of aggressive military preparations and armament building. In other words, let Germany undertake to settle down to a programme of peace.

Let's do what we can to have peace for another 10 years. Our generation — yours and mine — already has one world war on its conscience. Perhaps if we can keep peace for another few years, the younger generation will be ready to take the job off our hands and do far better with it than their elders.

Where Quebec Stands

By HON. GEORGE PARENT,
Briefed from address in the Senate

The Government is providing for certain farming communities, especially in the West, in order to compensate their losses due to sand storms. A young country like Canada is possessed of innumerable resources and its potential wealth is incalculable, but experience should make us aware of possible mishaps against which the Government is in duty bound to protect the country. These calamities which have affected some of our provinces are understood by the Province of Quebec, which participates in those hardships and pays its share without grumbling, thus showing that it willingly and heartily associates itself with everything that is Canadian.

This is in reply to those, in the English-speaking provinces, who believe in the existence of separatist movements in the Province of Quebec, for which there is less cause today than ever before.

Youth in Quebec

To those who, through kindness or fear, are interested in the change of ideas in the Province of Quebec, it might be well to say that in all matters of national import the youth of Quebec acts very much like the youth in the English-speaking provinces. When they hear of the wonderful progress of Vancouver they feel glad. The young Canadians of French origin are proud of their homeland; they know that the possession of this rich and immense domain may arouse unholy desires among foreign people. They realize that it shall remain theirs so long as they will defend it against its enemies, inside and outside. But everywhere the young people aspire to benefit by the resources that Providence has put at their disposal.

In the Province of Quebec they are likely right in suggesting that their progress is not as well enhanced by railway facilities as in the English provinces. They wish to see their mining resources actively developed by the opening of new routes to the north. The laying out of a line between Lake St. John and Chibougamau has been given up. Railways are needed in Gaspé, Rimouski and certain districts of Montreal. To compensate for the railways that have been taken away from them for economic reasons, why would not the Government help them in promoting their efforts in that direction?

We too, in our province, fear the effects of human erosion. And it is not desirable that part of our population should be lost through emigration. Nobody need have fear of these feelings; it is a natural and brave way to assert one's patriotism.

No Intention of Seceding

No, Quebec has not and cannot have the intention of seceding from the other provinces. On the contrary, it desires to participate more actively in public affairs when it requests a fair share of the administration for its people. The Province of Quebec hopes for stronger, and, if possible, closer bonds, in order that the Canadians, whatever their origin, may direct their efforts toward an ever greater and more prosperous Canada.

In the Mail

(Not over 200 words, please)

Autos and Highways

Editor, The Financial Post:

In the current issue of The Financial Post, Prof. W. W. Swanson, in an article on Canada's transportation problems, reaches the conclusion that motor transport in Canada is so far from paying its way that the country as a whole is piling up a road deficit which he "conservatively" estimates at $100 millions annually.

In Prof. Swanson's calculations, this deficit is entirely due to annual interest and sinking fund charges on an estimated total investment of $650 millions in "nonpermanent" elements in the improved highways of Canada.

There is, however, a grave fallacy in Prof. Swanson's reasoning, which entirely invalidates his conclusion. In estimating the cost of highway improvement he has allowed no credit for the hundreds of millions of dollars which have been collected from motor vehicle owners in past years through registration fees and gasoline taxes—a total of approximately $500 millions since Jan. 1, 1920.

If these enormous road revenues for the most part have been deflected and absorbed by the provinces for general revenue purposes, it still remains, despite provincial accounting systems, that no survey of the highway-motor vehicle situation in Canada is fair to the motor vehicle user, or even logical, which does not take them into account. Not to do so is to charge the highway costs twice to the road user.

Prof. Swanson entirely ignores the fact that had the millions of dollars paid by motor vehicle owners in special taxes been used entirely for road purposes from the beginning, the highway debt of Canada today would be of but small proportions. That it is large—though not nearly as large as Prof. Swanson's estimate—is not because the motor vehicle has not been paying its way, but for the reason that the special taxes paid by motor vehicle owners have in past years been diverted by most of the provinces to purposes other than those of highway construction and maintenance.

W. G. ROBERTSON,
Sec.-treas.,
Canadian Automobile Association.
Toronto.

Prof. Swanson's Articles

Editor, The Financial Post:

Sincere congratulations are due you from the Canadian public for your foresight and wisdom in securing and publishing the "Rail, Road and River" articles from the pen of Prof. W. W. Swanson.

They contain such sound and fundamental common sense that every paragraph proves the author knows whereof he writes. Should the authorities responsible for this important commodity (it is as much a commodity as any merchandise) review these articles with the care and action they deserve, it is impossible to foresee to what tremendous public advantage these fertile writings may ultimately lead.

The second article appearing in your Feb. 6 issue reveals beyond any contradiction the lack of foundation and stability to the present motor vehicle transportation system, yet I feel the figures quoted by Prof. Swanson are hardly fair to that system.

The source from which the figures representing road costs and revenue have been secured is not mentioned nor any analysis of the figures made, which prevents thorough examination of relative values and costs.*

It would appear that the income figures do not include such revenues as sales tax and duties on all the equipment used, gasoline, oil, trucks, tires, etc., which are as much part of Government revenue as licenses, etc., and would swell the income total considerably.

Then, again, the city road cost is obviously outside the highway transportation liability because in any event, whether the movement of merchandise is by rail or road the actual point delivery must be made by motor truck or horse-drawn vehicle, the latter being unlikely and more destructive to road surfaces, thus the city pavement cost is local and not highway liability.

The rapid depreciation of all highway truck equipment is another unmentioned item, and in so far as this factor is responsible for the employment of thousands who renew and remake the equipment we have a factor of no mean consideration as a tax, revenue and wage producer.

There is no mention in the article of the relative labor cost per ton mile which might have some considerable bearing on the question one way or the other.

The article is so interesting, so vitally alive with an element of commercial importance, that I feel you would be giving inestimable service to merchandising corporations if you could prevail upon Prof. Swanson to enlarge the article with subsequent detail, and give us complete data regarding this intriguing and rapidly developing system.

J. R. CLARK,
Montreal.

*Editor's Note: The articles in The Post are much briefer than the equivalent chapters in the book that will shortly be published.

Stop Me If You've Heard This One . .

A Yankee was on a Christmas walking tour in Scotland. Snow had fallen and he was struggling along a narrow road when he met a Highlander.

"I guess, friend, I sure am lost!" he said plaintively.

Scot—"Is there a reward oot for ye?"

American—"Nope."

Scot—"Weel, ye're still lost."

Week in Business

Maritimers Tax Worker When Not a Resident

County Council Aims to Bonus Own Taxpayers — New Duty Rates Now Effective — Japan Affected

From the Maritimes comes a new plan to solve unemployment and depression problems. Meeting at Hampton, N.B., for their annual meeting the other day, the King's County Council passed a by-law (by 21 to 6) making it possible to impose a $4 license fee on persons not residents or ratepayers in the county who are employed therein.

Here's the resolution. It reads:

"I. That an annual license fee of $4 be imposed on all persons not residents of King's County or ratepayers therein who use any art, trade, mystery or occupation or carry on or engage in any profession or mercantile or other business or employment within King's County. All such persons so licensed shall be subject also to payment of all other charges, taxes, rates or assessments and be liable to such duties and obligations as any inhabitants of the county are liable to and chargeable with."

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New Strike Viewpoint

A new angle on the automobile strike situation and its effect on business prospects on this continent is shown in the following extract from a leading United States investment firm. It says:

"It must not be forgotten that automobile and steel activity have been leading factors in the American recovery, and any development, such as protracted negotiations, or a 'sit down' on the part of labor, which may paralyze activities in these groups for any sustained period, would have deflationary repercussions on business in general.

"On the other hand, a substantial part of the present forward buying is based on fears of forthcoming labor disturbances. Thus, any settlement of the General Motors strike on fundamental principles that would eliminate prospects of labor disturbances in other industries during 1937 might easily lead to a temporary curtailment in general productive activity while inventories that have been accumulated because of strike fears are being worked off.

"Stated otherwise, protracted labor disturbances and paralyzation of key industries over the next three months would seriously threaten the rising level of business which has been enjoyed over the past two years, whereas a fundamental settlement of the labor question, while quite bullish in its longer-term implications, could easily lead to a short-term letdown in business while 'strike' inventories were being used up."

• • •

New Duty Rates Fixed

Many people have overlooked the fact that on and after Jan. 1 of this year a new exchange rate for duty purposes came into effect on goods not made in Canada and imported from Japan, Denmark, Finland, Greece, Norway and Sweden. The new rates are effective for a 12-month period, as long as the current rate of exchange (on the date of shipment) is lower than the new rate fixed by Ottawa. When the current rate is higher (as is now the case with the Norwegian and Swedish krone), then the departmental rate gives way to the "going" rate. The new rates follow:

Country:	Currency	Rate Fixed by Customs Department	Par Rate of Exchange	Current Rate of Exchange on Jan. 2, 1937
Japan	Yen	35c	49.85c	28.24c
Denmark	Krone	22.62c	26.8c	21.92c
Finland	Mark	2.128c	2.5185c	2.16c
Greece	Drachma	1.01c	1.3c	0.9c
Norway	Krone	23.76c	26.8c	24.66c
Sweden	Krone	24.27c	26.8c	25.31c

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Japan Chiefly Affected

Most important to Canadian business is the change brought about in the fixed value of the yen. During 1936, the value of the Japanese yen for duty purposes was fixed at 39½ cents for goods of a class or kind made in Canada. The new rate is 35 cents. And when the time comes to compute the 1938 valuation there will be a further drop to 29½ cents which is little more than current exchange value.

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Favorable

Flour exports took a sizable jump in December, bringing the 12-month total about 5% ahead of 1935.

Carloadings kept up the good work for the last week in January with a nice gain over corresponding figures of last year and a 21% rise over the preceding week. In the lead as usual was the volume of miscellaneous merchandise handled.

• • •

Unfavorable

Leather boot and shoe production was slightly lower in December than in the same month last year. Cumulative figures for the year were higher.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1937	Latest 1936	Cumulative Total Jan. 1 to date 1937	Cumulative Total Jan. 1 to date 1936
Transportation—				
Car loadings (Jan 30)	▲47,100	39,006	185,006	153,767
C.N.R. gross earn. (Jan. 31)	$ 4,583,386	$ 4,202,337	$ 14,043,352	$ 12,742,554
C.P.R. gross earn. (Jan. 31)	$ 3,252,000	$ 3,102,000	$ 10,374,000	$ 9,323,000
Business Conditions—				
Weekly index D.B.S. (Jan 30)	▲118.4	104.3	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions				
Financial Post index (Dec.)	118.2	108.0	......	.....
Transportation—				
C.P.R. net revenue (Dec.)	$ 3,541,807	$ 3,306,013	$ 23,311,110	$ 22,397,523
C.N.R. net revenue (Nov.)	$ 2,383,271	$ 2,329,155	$ 12,227,251	$ 12,091,780
Iron and Steel (December)—				
Pig iron production (tons)	68,499	70,647	678,672	599,875
Steel ingots and castings prod. (tons)	103,952	98,888	1,114,550	941,527
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Dec.)	9,583	5,244	94,203	83,242
Factory output (Dec.)	16,542	11,370	131,30[illegible]	139,744
Trucks and Buses:				
Domestic sales* (Dec.)	1,021	842	20,438	18,219
Factory output (Dec.)	3,869	2,405	31,014	33,253
Exports (Dec.)	3,945	5,535	55,805	64,621
Construction—				
Building permits (Dec.)	$ 3,225,274	$ 2,401,856	$ 39,809,442	$ 46,560,623
Contracts awarded (Jan. '37)	$ 8,622,200	$ 13,610,400	......	......
Newsprint (tons)—				
Production (Dec.)	289,312	244,732	3,179,914	2,752,715
Exports, tons (Dec.)	286,232	277,837	2,993,082	2,575,081
Sugar (lb.)—				
Melting & sales§ (raw)	48,509,347	63,639,794	920,021,256	876,813,650
Manufactured§	95,656,430	88,679,521	1,055,584,264	980,625,260
Flour (bbls.)—				
Production (Dec.)	▲1,090,292	957,219	14,957,870	14,208,802
Wheat flour exports (Dec.)	475,282	443,828	4,850,071	4,881,017
Trade—				
Retail trade (index no. of sales) (December)	▲81.8	76.8	......	......
Imports (December)	$ 52,996,494	$ 38,569,182	$ 635,190,844	$ 550,314,551
Exports (December)	$ 99,406,665	$ 79,244,502	$1,027,901,954	$ 838,343,059
Wheat exports (bush.) (Dec.)	20,427,816	17,043,882	243,041,530	165,672,671
Employment, D.B.S. Index (Jan. 1, '37)—				
All industries	103.8	99.1	......	......
Manufacturing	102.4	96.8	......	......
Electric Power Output (Dec.)—				
Total monthly m.k.h. (000's omitted)	2,324,915	2,156,525	25,493,474	23,404,412
Other Industrial Indices—				
Lumbering:				
Plank & board exports M bd. ft. (December)	184,104	111,523	1,680,397	1,339,738
Boot & shoe prod pr (Dec.)	▲1,539,942	1,565,986	21,888,531	21,712,685
Crude petrol, imp. gal. (Dec.)	60,569,143	55,639,590	1,244,663,276	1,174,794,086
Cotton imports, lb. (Dec.)	20,842,725	22,186,866	150,287,167	129,615,395
Raw rubber imp lb (Dec.)	2,673,053	5,745,825	62,821,760	60,189,265
Coal imports, tons (Dec.)	1,132,879	800,581	13,768,772	13,006,021
Cigarette cons. (Dec.) No.†	435,425	461,468	5,600,448	5,305,369
Finance—				
Bank debits (Dec.)†	$ 3,404,592	$ 2,932,304	$ 35,928,607	$ 31,546,066
Bond sales (Dec.)	$ 94,927,250	$ 119,929,500	$1,296,496,437	$ 985,145,390
Life insurance sales (Dec.)	$ 36,904,000	$ 36,550,000	$ 376,885,000	$ 389,384,000
Automobile Financing (Dec.)—				
Used cars	$ 1,314,568	$ 942,024	$ 24,482,159	$ 17,931,608
New cars	$ 2,714,043	$ 1,285,656	$ 29,726,941	$ 22,410,656

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted §For 4 weeks to Dec. 31.

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25

STUDEBAKER'S "COUPE-EXPRESS"

A new half-ton truck has been announced by Studebaker Corp. of Canada. The aim is to provide a dual-purpose car which can be used both as a passenger car and for both passengers and commercial purposes.

Background of Business

Trade Prices Rise On Cheaper Smokes

No General Increase Expected on Standard Cigarette Packages — New Ruling Given on Tourist Tires

Prices to the trade of some cheaper brands of cigarettes have been increased within the past two weeks, The Financial Post understands, but there is at present little likelihood of higher prices to consumers. Trade prices have been increased by cutting dealers' discounts from 10% to a shade above 9.5%. No change has been made in quotations for standard brands of cigarettes, and it is thought unlikely that any change will be made immediately.

Some increases have recently been made in retail prices of cheaper grades of tobacco. Grades which formerly sold at $1 have been increased 10 to 15 cents a pound. In light of present prices and costs it is considered unprofitable to sell any tobacco now at much below the $1.20 per pound level.

Leaf tobacco costs are higher this year but since manufacturers carry from two to three years supplies, there is not the same pressure for higher prices as there would be in other commodities which move more rapidly into consumption. Cigarette prices moved up recently in the U. S. for a net advance of about 13 cents per thousand. This is an increase of 2.4% to the trade and 5.5% to the manufacturer. It is estimated that manufacturers' costs, on the average, will be about 10 cents per thousand higher during 1937.

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Blanket Wage Code

Already 24 categories of industry in Quebec province have been classified and brought within the scope of the Women's Minimum Wage Act. Study by the Commission charged with operation of the law discloses, however, there are an additional 19 branches of industry not yet covered.

In view of the limited size and scope of these remaining industries it has been decided to issue a general order for all female workers in the 19 categories. A joint conference for that purpose is called for February 23. Two thousand girls are affected by the "blanket" order in Montreal alone, with probably an equal number scattered throughout the rest of the province, it is estimated. The province will be divided into three zones, one comprising Montreal in an area of 15 miles, the second all cities and towns over 10,000 population, and the third the rural municipalities under 10,000 population.

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Vacation With Pay

Granting of one week's vacation with pay to employees of all Dominion Rubber factories was announced last week at Kitchener following a special meeting of the plant council in the company's Merchant plant.

Workers in this industry recently organized under the United Rubber Workers of America.

The new plan will affect workers in the company's Kitchener plants and in three Quebec factories.

• • •

Want Cheaper Licenses

A delegation from the Alberta Association of Municipal Districts recommended recently to the Alberta Government that the motor license fees be reduced to a nominal sum of not more than $5. They suggested the Government might offset its financial loss by increasing the gasoline tax from 7 to 9 cents per gallon. Reason for the lower fee was given that many people in rural districts can only operate their cars a maximum of nine months a year.

For 1936-37 the province estimates $1 million in revenue from motor vehicle tax, of which $585,000 will come from passenger cars, and the remainder from drivers' licenses and trucks' licenses. Net revenue from gasoline tax is estimated at $2.5 millions, an increase of $200,000 over 1935-36.

• • •

Tourist Dollars For B. C.

The Vancouver Tourist Association and Automobile Club estimates British Columbia had 1,100,000 tourists in 1936, an increase of 30% over the previous year, and with a value to B. C. of $26 millions.

Of this total $15 millions, it is said, went to Vancouver.

• • •

Alberta Safety Campaign

Dr. Victor Wright, chairman, Workmen's Compensation Board, Alberta, has announced a province-wide industrial safety campaign to begin in the near future. He reports the high accident rate in Alberta industry was largely responsible for increased employer assessments and employee fees during 1937. Compensation payments in 1936 rose $83,000 in excess of 1935 with $43,000 increase in pension payments and $56,000 rise in medical costs. There is also said to be an accumulated deficit of $54,000 in the mining section of the organization.

The Board was recently criticized by labor men who urged a three-man commission to replace the present one-man board, and other important changes in the Act.

• • •

New Alberta Trade Body

The Alberta Government has announced a new Trade and Commerce advisory board for the province composed of 12 members. H. M. Jenkins of Calgary, has been named manent chairman.

Under the new set-up, the committee is to be enlarged to cover all line of business and commerce and supersedes a retail advisory committee headed by W. D. King, deputy minister of trade and industry, appointed by the Government last year. Under the new set-up Mr. King will not be a member of the board, which will name its own permanent chairman.

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Coronation Duties

The importance of Coronation merchandise to British industry may be judged by the severe steps taken by the Import Duties Advisory Committee in imposing a temporary additional duty of 100 per cent ad valorem during the period Dec. 15, 1936, to July 31, 1937, says Stylewear Review. The duty will apply to the following classes of goods:

1. Articles of all kinds suitable for use for or in connection with the celebration or commemoration of the Coronation of His Majesty, or as souvenirs thereof, being articles which consist of, or bear, a representation of His Majesty, any member of the Royal Family, the Royal cypher, the Royal arms, any Royal emblem, escutcheon, badge, crest, armorial bearings or insignia, any article or building associated with the Coronation, or a flag of any country in the British Empire, or which consist of or bear any other mark or device which renders them suitable for use as aforesaid.

2. Flags of any country in the British Empire and flags resembling any such flag.

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Don't Use Your Tires

Automobile tires on wheels and in use are not baggage, but tires in the back seat are, the National Revenue Department has ruled. Hon. J. L. Ilsley, head of the department, told the House of Commons recently that the ruling was due to the limitation of the $100 duty exemption on goods brought back from other countries by Canadian travellers to goods "included in the baggage."

A western M.P. told of a case where a man bought four new tires for his car in the United States and at the border was compelled to take them off and drive his car across on the rims in order to get them in free.

Mr. Ilsley said the interpretation of law had caused difficulty, but the department could not stretch it to the point of regarding tires on a car as baggage.

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Orange Prices Soar

Grocers in Canada got a surprise recently because of an increase in the price of California oranges, says Canadian Grocer. There is a duty of 35 cents per cubic foot against oranges from the U.S., but it comes off during the early months of each year—following the Canada-U. S. treaty. This duty saves from about 2½ cents to 6 or 7 cents per dozen, according to size, yet dealers have had to pay considerably more for oranges they bought since first of the year.

Chief reason is the cold weather that struck California where in some places the thermometer went down well below freezing point. Smudges were kept burning in orange orchards during the cold spell but there have also been heavy rains and snow to delay picking.

Prices were put up on oranges on hand and grocers have to get as much as 10 cents per dozen more on some sizes than they did up to the first of the year.

• • •

Hardware Comeback

Builders' hardware and industrial hardware business is coming back strong, says a leading retailer interviewed by Hardware & Metal recently. He anticipates that 1937 will show an even bigger increase in that type of business. He reported having received one order recently for $4,000 worth of such supplies.

Apparently, taking the country as a whole, the biggest increase in the average retail hardware business in the past year has been in Western Canada where buying power has been aided by higher prices for crops and also in Northern Ontario where the mining business is booming. The next biggest increase has been shown by firms doing considerable business in industrial and builders' hardware and who have felt the effect of increased house construction and modernization.

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Want Sales Tax

Large department stores and other retailers in Montreal will oppose abolition of the city sales tax when the question is discussed at Quebec. Several representatives of the larger stores have already made their attitude clear and it is understood a concerted move will be made when discussion is brought into the open.

When the tax was first imposed department stores and other large business houses were among its leading opponents, says Montreal Gazette, on the ground the levy would cut into retail sales. Now, however, they oppose its abolition largely on the ground that, having set up the machinery for collection, they would be put to additional expense to abolish it and would probably have to take on another burden when revenue sources are shuffled.

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Arcand Law Revision

Exclusive administration and control of the Collective Labor Agreements Extension Act by the Provincial Department of Labor itself, as a central authority, instead of with Joint Committees of the various industries, was urged recently by the C.M.A., Quebec section.

In a brief, submitted by that body at the final local sitting of the special committee charged with revision of the measure, such step was held to be the one way of ensuring uniformity of policy.

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Fire and Automobile Insurance
HEAD OFFICE: TORONTO

Authorized Capital	$1,000,000
Subscribed Capital	600,000
Paid-up Capital	150,000
Government Deposits	180,000

STATEMENT FOR YEAR ENDING DECEMBER 31st, 1936

ASSETS

Cash on Hand and in Bank		$ 71,150.43
Bonds at Amortized Book Value (Market Value Dec. 31, 1936, $578,582.72)		552,344.08
Stocks at Market Value		95,450.00
Agents' Balances and Premiums Uncollected		65,415.47
Due from Re-Insuring Companies		3,635.53
Interest Due and Accrued		4,448.74
Mortgages		1,844.33
		$794,288.58

LIABILITIES

Provision for Unpaid Claims		$ 47,236.60
Due to Re-Insurance Companies		12,654.69
Agents' Credit Balances		347.19
Reserve of Unearned Premiums		252,385.58
Taxes Due and Accrued		13,794.20
Surplus for Protection of Policyholders—		
Capital Stock Paid In	$150,000.00	
Surplus	317,870.32	467,870.32
		$794,288.58

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Many Gains In U.S. Trade Follow Pact

First Year Results of Canada-U. S. Agreement Analyzed

A brilliant line-up of plus signs features comparative statistics of Canadian trade with United States during the first full year of operation of the new Canada-U. S. trade pact.

During the 12 months Canada's exports to the United States increased 12.8% on a dollar basis, while imports rose 18.4%. If major items affected directly by the trade agreement are studied the increase in Canada's exports amounts to between 28 and 30%, while the gain in imports is over 22%.

Some Big Percentages

Looking down the list of Canada's sales the gains on a percentage increase run all the way from 16% in the case of pulpwood to 1,758% in the case of cheese. Cheese imports, which in 1935 amounted to only $85,000, soared to $1.5 million last year.

Other spectacular gains are in maple sugar—up 492%; apples—up 371%; potatoes—up 471%; live poultry—up 13,000%; horses—233%, and patent leather 200%.

The reason for many of these startling gains is, of course, the fact that trade in 1935 and prior to the completion of the pact had been either negligible or at a very low ebb.

There is only one decrease in major items affected by the pact, namely, shingles, where Canada's exports dropped 17%.

Furniture Imports Rise

Among Canadian imports the largest percentage increase was that of furniture which rose 122%, at a total of $672,000. Automobile sales into Canada reached $6.5 millions, or an increase of 105%, while machinery purchases soared 52% to $25.5 millions. Dollar value of several items affected by the pact showed a decline, namely, automobile parts, hardware and gasoline imports.

Comparative figures follow:

Canada's Chief Exports to U. S. A. Affected by Trade Pact

	1936 $ 000's	1935 $ 000's	Change %
Horses	2,097	630	+ 232.8
Dairy cattle	490	389	+ 25.9
Other cattle	8,116	5,228	+ 55.2
Cheese	1,580	85	+1,758.8
Whale oil	127	98	+ 29.6
Potatoes	1,177	206	+ 471.3
Turnips	785	469	+ 67.3
Apples	33	7	+ 371.4
Maple sugar	1,290	218	+ 491.7
Alfalfa	216	13	+ 156.1
Alsike seed	261	88	+ 196.5
Whisky	22,029	12,463	+ 76.7
Lobster, fresh†	2,101	1,641	+ 34.1
Do. canned†	376	319	+ 17.8
Fresh & frozen salmon	708	466	+ 73.4
Halibut	418	231	+ 80.9
Mink skins†	2,154	1,438	+ 49.8
Wolf skins†	472	176	+ 168.1
Planks & boards (softwood)	11,284	7,556	+ 49.3
Planks & boards (hardwood)	1,457	658	+ 121.4
Pulpwood†	8,141	6,999	+ 16.3
Wood pulp†	26,504	22,290	+ 18.9
Newsprint†	83,546	70,957	+ 17.7
Abrasives†	4,034	3,158	+ 27.7
Asbestos†	4,052	3,079	+ 31.3
Asbestos sand & waste†	2,350	1,441	+ 63.1
Pat. leather	90	30	+ 200.0
Shingles†	6,027	7,272	— 17.1
Poultry, live	196	14	+1,300.0
Poultry, dead	44	23	+ 91.3
Strawberries	58	23	+ 152.1
Total	192,213	147,665	30.1
Total▲	216,809	169,019	28.2
Total‡	404,664	358,570	12.8

†Free entry confirmed by trade agreement.
▲Principal exports affected by trade agreement.
‡All exports to U. S. A.

Canada's Chief Imports from U. S. A. Affected by Trade Pact

	1936 $ 000's	1935 $ 000's	Change %
Fruits	15,028	12,221	+ 22.9
Cotton, raw†	19,131	15,165	+ 25.9
Printed matter	9,088	6,930	+ 31.1
Furniture (wood)	672	302	+122.5
Automobiles	6,489	3,162	+105.2
Do., parts	23,854	24,425	— 2.3
Farm implements	8,810	5,048	+ 74.5
Hardware	1,095	1,170	— 6.4
Machinery	25,499	16,744	+ 52.3
Plates & sheets	9,189	7,075	+ 29.8
Steel products	5,613	4,465	+ 25.7
Stamped & coated steel	1,193	889	+ 34.2
Tools	1,178	935	+ 25.9
Elec. appar.	9,448	7,424	+ 27.2
Coal	26,516	24,700	+ 7.3
Glass, glassware	3,752	3,185	+ 17.8
Crude oil	31,228	27,131	+ 15.1
Gasoline	2,867	3,321	— 13.6
Drugs	1,619	1,254	+ 29.1
Total	202,269	165,566	22.1
Total▲	369,965	312,418	18.4

†Free entry confirmed for three years by trade agreement.
▲Canada's imports from U. S. A.

Changing Conditions

Conditions in the field of investment meet with frequent changes. The resources of our organization for securing authoritative information upon investment subjects are available to any of our clients.

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British Briarcraft Ltd. Offers Preferred Stock

Offering of 600 6% preferred shares of $100 each in British Briarcraft Ltd., has been made by Martin Griffith & Co., Toronto. In addition to the preferred there are 10,000 common shares outstanding.

The company is stated to have started operations at Brantford, making smoking pipes and shoe heels with "Comolite," an artificial wood composition.

S. T. Heyes is president of the company, and other directors are P. S. Ansell, C. A. Heyes, and W. M. Griffith, all of Toronto.

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Dated January 1st, 1937 Due January 1st, 1952

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TORONTO, ONTARIO

South Africa Popular With Canadian Tourists

Number from Dominion and United States Shows Yearly Increase — 5,000-mile Trip in Ultra-Modern Trains Awaits Visitor

South Africa as the locale of a winter vacation would have been a fantastic proposal for Canadians of the last century, and the name itself suggested all the hardships of touring the jungle or the epoch-making feats of Empire Builder Cecil Rhodes.

Today it is a popular winter vacation resort for Canadians who have the time and money to make a sea voyage of more than the usual distance and to combine the pleasures of sea travel with South Africa's famous "Sunshine Route," 5,000 miles through the Union over the lines of the South African Railways. Incidentally, South Africa was the first country in the world to introduce trackless electric street cars for service in urban centres.

South Africa, via Europe, is another itinerary becoming increasingly popular with Canadians and Americans. Whether the European or American route is used, all ships call at Capetown and it is at Capetown that most visitors disembark.

Mail Boat Routes

The mail boats as a rule stay only a day at the Cape and continue their voyage around the coast to Durban, calling en route at Port Elizabeth and East London. Others, however, may stay in port a day or two and many of them make their return voyage on the European route by way of the east coast, calling at the chief East African and Mediterranean ports. Under existing political conditions, most Canadian visitors are unlikely to choose the latter route for the return voyage, but for the more adventurous the journey via Suez and Gibraltar has its attractions.

Ashore, the Canadian tourist to South Africa finds railway facilities of ultramodern type to convey him on his 5,000-mile trip. If his inclinations run to big game shooting he will probably stop for a time in Northern Transvaal. The open season is from May to August but while it varies in different districts the chances are that opportunities will present themselves to get a few buck in the Orange Free State, Cape Province, Bechuanaland or Rhodesia.

Sport of every kind is plentiful, however, in the Capetown area itself. There is shooting and anglers will find the trout fishing excellent within a short distance of Capetown. A trip to Table Mountain aboard the cableway is another Capetown experience not soon forgotten.

Durban is another area much patronized by winter visitors. It lies in the centre of the sugar country and is the point from which many Zululand and Natal coast resorts are visited. All-year-around sea bathing can be enjoyed and there is good sea fishing.

The tour by rail will also carry the Canadian visitor to Drakensberg, "backbone of South Africa" where the mountain peak rises to 11,000 feet and bushmen's paintings and caves can be examined.

At Johannesburg, focal point of the 100-mile gold reef, mining-minded Canadians will see much to interest them. Johannesburg is the largest town in Africa south of Cairo, and the extent of its importance as a gold mining centre is indicated by the fact that estimates place the eventual yield of gold from the reef at nearly twice the amount already extracted, despite the fact that 1,500 million pounds worth of gold has already been marketed from the sections of the reef developed during the last 50 years.

The town is a great social and sports centre not the least entertaining feature of which are the native war dances held at the gold mines.

At Kruger National Park the visitor sees the largest game preserve in the world, 8,000 square miles where most species of South African fauna are strictly protected.

Scenic thrills are plentiful along the Sunshine Route, and Victoria Falls, superb natural spectacle on the Zambesi River, is one of Rhodesia's and nature's most impressive sights.

Early in the journey the visitor sights the headgears of the Kimberley Mines, famous Diamond City whose history is largely that of the history of modern South Africa. Rhodes came to Kimberley or Colesberg Kopje as it was known, in 1871, from Natal and his first task in Kimberley was sorting diamonds from the gravel, with, close at hand, a textbook for his next examination at Oxford.

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37-37

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CANADIAN TRAVELLERS

Bound for a cruise around the world on the C. P. R. Empress of Britain, Mr. and Mrs. Harold C. McMaster, of Montreal, are shown in the upper left picture on the sun deck of the liner before sailing from New York.

The other pictures are those of Canadians taking a Caribbean cruise on the C. P. R. liner Empress of Australia.

Upper right is George W. Matheson, of Winnipeg.

Lower left shows P. D. Ross, Ottawa newspaper publisher and president of the Canadian Press Association, and Mrs. Ross. The lower right pictures are the Misses Edith and Gertrude Langworthy, of Port Arthur, Ont.

British Guiana's Gold Thrill for Tourists

Sitting in a broker's smoke-filled board-room, listening to the staccato tune of the ticker and watching the quotes slide by on a Trans-Lux is not gold mining.

And reclining in an over-upholstered red leather chair behind the winter-frosted windows of your club and watching the Fords go by is not exactly travelling.

But if it's gold mines, the market and travel you're interested in there's always British Guiana. A south-bound radio-equipped liner from Boston or Halifax can supply the market quotes and the travel. British Guiana itself can supply the gold.

For venturesome vacationists who would find little or no pleasure in living on raw caribou meat and tramping the pre-Cambrian shield on snowshoes, British Guiana holds the thrill of gold seeking de luxe. Sun helmets take the place of ear-muffs and bananas make a better diet than dough. Gold or no gold a winter in the South American colony holds many attractions, both scenic and otherwise.

Spaniards Started It

More than 400 years ago British Guiana attracted gold seekers from Spain and a monopoly was established which brought about the depredations of the buccaneers. Sir Walter Raleigh sought the famed city of Eldorado in 1592 within the boundaries of the present colony and there have been other attempts to develop the gold deposits known to exist.

Less than a year ago, British capital entered the area in the form of a $2 millions company, British Guiana Consolidated Goldfields Ltd. and operations of this company will involve the first large-scale effort to organize the efforts of the "porknockers," independent gold seekers who for centuries have worked the gold deposits on a small scale and by relatively primitive methods.

"Porknockers" is the term originally applied to workers who ventured "on their own" after the company or syndicate for which they worked had either ceased operations or ceased to exist. Most of the gold obtained in British Guina in recent years has resulted from the work of the individual "porknocker."

Stories of the "porknockers" vie with those of Canadian and other now famous gold rushes. During the war, two miners on an otherwise uninhabited island in the Cuyuni River, where they had gone to trap wood pigeons, discovered spectacular surface showings of gold nuggets. Word soon reached other near-by areas and the rush was on.

Natives and others caught the gold fever. British bank notes were used by some miners to paper the walls of their shacks and one "porknocker" who arrived in Georgetown, the capital, paid off his cab driver with a handful of bills and with another handful tried to feed the cabby's horse. Another lit his pipe with a $20 bill to the astonishment of the governor of the colony who chanced to be at the ferry wharf at the time. But these and equally colorful characters passed from the scene long ago.

Many geologists are agreed, however that there is probably a lost vein of importance somewhere in the Mazaruni-Cuyuni basin of British Guiana, the occasional tapping of which has already been the source of astonishing discoveries, according to Percy E. Armstrong, writing in the Canadian-West Indies Magazine. Another authority, Dr. D. R. Grantham, director of the geological survey of British Guiana, says: "I believe that the gold resources of the colony are by no means exhausted and that there is a prosperous future for the industry for many years to come. The keys of success are active development of the interior and co-operation among all parties."

Chief Gold Areas

The Honey Camp and the Okuwa gold fields of the Mazaruni River are the chief gold areas of British Guiana to date. They also emphasize the varying character of gold producing regions of the Guianas, the Honey Camp being mainly gold-bearing creek gravel while the Okuwa district contains more patchy gold deposition and presents more difficult operating problems.

Four days journey from Bartica, the Honey Camp workings are situated in a belt two miles long and seven miles wide, in a generally southeast direction. Small creek heads are the most prolific source of gold and many of these heads lie in granite, overlain in places by white sand. Since the deposits are sandy, with a relatively small portion of gravel they are popular with the independently operating "porknockers," or tributors.

Mr. Armstrong describes the Okuwa field as an area in which the gold is recovered from white, greyish-brown quartz, some of which carries visible gold, and possibly from low disseminations in the granite itself. As in the case of all granite areas the values are more scattered and more suited for parties working with sluices, enabling much more ground to be covered with the same amount of labor. Consequently more money is made per man, Mr. Armstrong points out.

Methods of gold mining in British Guiana would, however, appear wasteful to Canadian gold miners. Both the pit and tom, and sluice methods are very old in their usage and entail much waste both to labor and gold, as much of the workable ground is buried under the waste from the pit and cannot be later reworked owing to the double thickness of overburden. Some of this gravel actually excavated and not washed was found to yield as much as $2 gold per yard.

Placer mining is suitable in some sections of British Guiana and dredges have been used in other areas. The newest venture, under British control, involves the use of three large dredges and an important feature of the company's programme is employment of local labor along the lines of the Canadian-owned bauxite development at McKenzie City.

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Mountain Town In West Indies

Whoever heard of going to the West Indies for mountain climbing?

But it can be done—at Mandeville and Christiana, Jamaica's two mountain holiday resorts at which Canadians are spending the winter months in larger numbers every year.

Mandeville is a delightful town, located on a plateau of the Manchester Mountains at an elevation of 2,000 feet. Its name is derived from the second title of the Duke of Manchester who was governor of Jamaica in 1808 and it is the chief town of the parish of Manchester.

The scenery is the same as it was in 1808 but the accommodations for pleasure are considerably more extensive. Splendid hotels — and boarding houses—and a first class country club are open to visitors on a suitable introduction, while livery stables, garages, golf course, tennis courts, a motion picture theatre and race track provide varied forms of amusement. There is a branch of the Bank of Nova Scotia and excellent shops.

Mandeville can be reached by car from Kingston and it is within five miles of the railway station at Williamsfield. In appearance it is much like a typical English village, surrounded by a landscape which, however, bears little resemblance to that of England. The surrounding hills are covered with sweet smelling citrus and coffee.

Christiana, second town of the parish of Manchester, is 14 miles from Mandeville and has a higher elevation of 3,000 feet. It is the centre of the ginger industry and the country abounds in bananas. Good hotel facilities are available.

Steamship services to Jamaica are frequent, both from Canadian and U. S. ports. The United Fruit Co., Standard Fruit and Steamship Co. Ltd., Canadian National Steamships, and the Colombian Line all provide passenger services for visitors to Mandeville, Christiana and other Jamaican resorts.

Propose Revision On Auto Insurance

Wawanesa Charges Present Methods Are Pure Gamble

As written at present, "automobile insurance is not insurance but a pure gamble."

This rather startling statement is contained in a brief by the Wawanesa Mutual Insurance Co. to the Committee on Automobile Insurance Standard Forms in applying for permission to use a new application and policy form which, it contends, will place the business on a more equitable basis. No action was taken by the committee, discussion being postponed until a meeting to be held in the near future.

Insured Unknown

The company claims that under existing methods of writing automobile insurance the underwriter is entirely in the dark as to real nature of the risk. He is asked to contract with some unknown party, and there is nothing on which to base a proper rate. Questions in the approved application form, it is stated, are so restricted that they do not cover the situation at all.

The present methods, the Wawanesa contends, encourage inexperienced, reckless driving, and the rating method is both inequitable and unscientific. In support of the latter claims, it advances two examples. The first is that of two men, each owning the same make of car. One drives 3,000 miles a season, the other 30,000. The exposure of one is ten times as great as the other. Yet both pay the same rate.

Secondly, two men, owning the same make of car, drive the same mileage. One drives his own car. The other has six or seven drivers—one or more of whom may be indifferent or reckless drivers, or unfit to drive. Yet both pay the same rate.

In effect, in order to overcome the disadvantages of the present system, the company suggests three major changes: A financial responsibility law; a driver as compared with an owner's policy; and rewording of application forms.

Recommendations

In part, recommendations of the company are as follows:

"Change the basis of underwriting this business so that the policy will only cover the driver or drivers named in the application and base rates on knowledge of the driver or drivers, plus the mileage of the car. The underwriter would then be basing his rates on knowledge and when this is done it becomes insurance, not a gamble, and is both equitable and scientific. It is quite true the applicant might deceive the company as to mileage, but the risk is then put on the same basis as a fire risk in that the character of the applicant becomes important, and if it was known that the applicant was unscrupulous, the underwriter would not accept the risk any more than he would a fire risk from an unscrupulous applicant.

"Amend the law which compels the insurer to contract with some unknown person who if the underwriter knew would be driving the car, would refuse the risk entirely. The public pays the entire cost in any case so that any steps taken to base the rate on knowledge, and being able to exclude from the insurance policy all undesirable risks, will be in the interests of the public and will tend to reduce accidents and rates.

"Make all applicants for driver's permit, furnish evidence of financial responsibility without compelling the companies to take the insurance offered. In this way, the undesirable drivers would soon be discovered and the insurance companies could be of great value to the department issuing permits because no company refuses good business and if companies do refuse a man there is sufficient evidence to show that he is an undesirable risk and a menace on the road and the department should not grant a permit without thorough investigation, even if he can furnish evidence of financial responsibility by other means than an insurance policy."

DIRECTOR

W. Kaspar Fraser, K.C., member of the Toronto legal firm of Fraser & Beatty, who has been elected a director of the Toronto General Trusts Corp.

Going South?

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The first airplane flight is always one to remember.

If, for example, you are stepping aboard a modern airliner for the first time, southbound for a winter vacation in Florida or California, the chances are you'll take a long, hard look at the pilot and his co-pilot.

Those men, you realize, hold your life in their hands.

But that isn't strictly true. In reality, there is a crew of 80 flying your 'plane, if it is one of the "Main Line" ships of United Air Lines which carry thousands of Canadian visitors to southern and Pacific Coast winter resorts each year.

As the 'plane takes off, you may not know that from coast to coast a series of chattering teletypes are speeding the word of your take-off. Your pilot and co-pilot are in immediate control, it is true, backed by the experience of an average 5,000 hours in the air, but in addition to these veterans and the stewardess there are another 77 men on the ground, observing, directing and recording every movement of the trip.

Ground Control

While you travel at three miles a minute high overhead, reports are flashed ahead from field to field, and every few minutes your pilots are in two-way communication with ground stations supplying weather news and other essential information. These are the results of more than ten years careful organization work and 100 million miles of air experience.

Aloft, the twin-engined 1,100 h.p. 'plane in which you sit represents a cost 35 times greater than that of the most expensive automobile in existence. It took 135 engineers over two years to perfect the design of the engine, and it is inspected and serviced at every stop.

It may take away the thrill of a first flight, but these are the reasons why experienced air travellers no longer gaze long and earnestly at the pilot. Long ago they ceased wondering "If that young man knows his business."

To The Travelling Public:
HOTEL LONDON
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As from January 15th the rates for rooms will be as follows:
Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT,
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Coke and Gas Industry

Four plants operated under the coke and gas industry in Nova Scotia and New Brunswick during 1935, employing 325 hands and producing to a gross value of $3,076,899.

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NOW IS THE TIME TO PLAN A SOUTH AFRICAN HOLIDAY

Kaffir Boy

Ox Waggon Crossing Drift

WHEN first from the decks of the luxurious liner the traveller feels upon his face the cool breeze of the African night, he senses in advance the mystery of a new world, sending forth its subtle fascination. Here is a charm in which is mingled dark secrets of the past, strange rhythms of the native Kraal, and man's dreams of conquest in a new and exotic world.

From thriving metropolis to charming hamlet, South Africa abounds in scenes which vie with one another in mystery, color and the magnificent sculpture of the hand of nature.

Here the road leads through inspiring mountain ranges where lie hidden, in ancient caves, mysterious bushmen drawings . . . past the enigmatic ruins of Zimbabwe, through age-old forests and past hurrying streams where bloom a multitude of wild flowers planted by nature in her gayest mood. Here the modern air-liner traces its way beneath a cloudless sky over a panorama breath-taking in the magnitude of its exotic beauty.

South Africa invites you to explore her Cango Limestone Caves, to drive through the Kruger National Park where native beasts roam by the side of the well travelled road, to stand before the grandeur of the Victoria Falls, or to ride her matchless surf, enjoy the entertainment of her city life.

In this land of charming contrast you will find a truly different holiday. Leading travel agencies will gladly supply you with full information.

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MacLaren Quebec

We would like to have any material which you may have on MacLaren Quebec Power Co., as we are considering the bonds as an investment.

MacLaren Quebec Power Co. has two principal customers, James MacLaren Co. and the Ontario Hydro-Electric Power Commission. As you are probably aware the contract made originally with Ontario Hydro was repudiated and a new contract made with the company. Under the terms of the new contract, revenue from this company, together with that from the James MacLaren Co., is about sufficient to cover interest charges on the bonds, without provision for depreciation. From the point of views of earnings, the bonds are not as well off as they might be. On the other hand, the MacLaren interests have a substantial stake in the power company and they are not likely to let the bonds go into default.

Canada Malting

Is Canada Malting considered as an investment which combines income with possibilities for capital appreciation?

Canada Malting shares offer a comparatively large income under present investment conditions, the regular dividend of $1.50 plus the extra of 50 cents a share yielding approximately 6%. However, the company's earnings and markets are comparatively stable, so that sensational expansion of profits is hardly to be anticipated. The shares appear to represent a stable equity type investment from the point of view of income, but if you are interested chiefly in endeavoring to increase your capital, through some risk, this hardly seems to be the most spectacular type of share in which to try it.

Southern Canada Power

I hold a few shares of Southern Canada Power common stock and would like to have your opinion on the company and its operations.

Southern Canada Power earned 68 cents a share on the common stock in the year ended Sept. 30, 1936, as against dividend payments of 80 cents a share. This is the second year in succession that the company has failed to earn its dividends. However the position of the company is satisfactory and when it carries out its intended refunding programme, the saving in interest charges should increase earnings on the common stock. Meanwhile current revenues are on a more favorable basis than a year ago. During the three months ended Dec. 31 last the company earned all charges, including dividends, by a margin of $9,260, as against a surplus of $5,814 during the same period of 1935.

Industrial Alcohol

I would like to have some information on Canadian Industrial Alcohol.

Canadian Industrial Alcohol recorded an improvement in its financial position and earnings during the year ended Sept. 30 last. Net profits of $358,368 compared with $227,937 in 1935. Earnings per share amounted to 32 cents as against 20 cents in the previous year. Working capital declined during the year from $6.5 millions to $5.9 millions, mainly due to the liquidation of the company's inventories. There is no immediate prospect of a dividend being paid on alcohol shares, but the time when that can be done is appreciably nearer. The company has straightened away its obligations in connection with the McNish debentures, and when payment is made on the American type whiskies all of which have been sold, there is no reason why the company should not start distributing the surplus to the shareholders.

B. C. Bonds

I hold bonds of the province of British Columbia. Are these considered a good investment from the standpoint of future income?

Conditions in British Columbia have shown marked improvement during the past year and revenues of the province have been the highest in its history. Exclusive of unemployment relief expenditures, the province reported a substantial surplus in its last fiscal year and at the present time it would appear to be in a better position than other western provinces. If economic conditions continue to improve, the province should be able to put its financial house in order.

Canadian Car

As I have accumulated a lot of Canadian Car and Foundry stock, I would like to know how the company is as a whole and how the aeroplane business is going?

Canadian Car and Foundry Co.'s position has undergone an improvement in the past year. Net profits for the year ended Sept. 30, 1936, while amounting to only $7,638, compared favorably with net loss of $497,256 for the previous year. This is the first net profit shown since 1931. The volume of business on hand just now is only fair, but there are substantial orders being placed by the railways. This should enable the company to carry on throughout the balance of the year and probably result in larger profits than heretofore shown. A decision on the company's war claim for the alleged destruction of its Kingsland plant by German agents during the last war, is also anticipated in the near future. If the claim is satisfied, the company will receive a quite large sum of money.

Last October Canadian Car secured the right to manufacture in Canada and for export, various types of aircraft. Expectations are that the aeroplane division will in time receive a fair amount of business, but so far there has been no official indication of orders having actually been placed.

Gatineau Power

I would like some information on the Gatineau Power first mortgage bonds. Is the company able to earn its bond interest?

Gatineau Power Co.'s interim statements show that revenues are more than sufficient to take care of all operating expenses and charges in connection with the funded debt. Even without the Ontario Hydro-Electric Power Commission business, the company would be able to cover the interest charges on its 5% first mortgage bonds. The new contract made between the commission and the company assures sufficient revenue to take care of the 6% debentures. Moreover, there has been an increased demand from other sources for power with the result that the company is able to show fairly good earnings on its junior securities.

Maritime Electric

Please let me have your views on the Maritime Electric Co. 4½% bonds due 1956.

Maritime Electric Co. is a relative newcover in the Canadian investment field. Its first mortgage 4½% bonds due 1956, are secured by various properties owned by the company in Prince Edward Island and New Brunswick. The depreciated value of the fixed assets is around 1.6 million as against the first mortgage bonds of $900,000. Earnings of the company in the last four years have shown stability, with net income available for bond interest and income taxes amounting to about twice the interest requirements on the first mortgage bonds, which is a comfortable margin.

Dominion Tar

Would you please let me have a line on the common stock of Dominion Tar & Chemical Co.?

Dominion Tar and Chemical Co., with a further improvement in business would be able to establish fairly substantial earnings on the common stock. No dividends have ever been paid on the common, nor have any earnings been reported since 1931. During the seven months ended July 31, 1936, consolidated earnings before debenture interest, depreciation and income tax amounted to $496,709 compared with $281,731 for the corresponding period of 1935 It is anticipated that the 1936 statement, which will make its appearance some time toward the end of February, will show an improvement in earning power and finances, but arrears of preferred dividends must be dealt with before the common can look for returns.

International Power

Will you please let us have a report on International Power Co. debentures?

International Power Co. has paid debenture interest regularly. Further, earnings have been increasing steadily of late and the report for 1936 is expected to show an improvement over 1935, when bond interest and exchange premium were covered 1.69 times. Foreign exchange fluctuation in some of the countries in which the subsidiaries operate has been a handicap. Transfer of funds from operating units has been costly, but in the past two years it has been accomplished on a more favorable basis to the company. Furthermore International Power lately has been able to carry out financing which has tended to strengthen its balance sheet.

Union Gas

What is the outlook for Union Gas common shares?

Union Gas Company of Canada has been increasing its earnings very materially, largely due to installation of many house heating appliances in London, Ont., which is now served by the company. Also, earnings have been helped by funding of the company's bank loan, which strengthened the financial position. The current dividend is 50 cents a share, and if recent earnings are maintained, there appear to be reasonable prospects of higher dividends in the future. It should be remembered, of course, that the company's natural gas production comes from wasting assets, but it is believed that the company has supplies of gas for many years.

Steel Dividends

How much more does Steel Co. of Canada have to pay in extras on the common? What are the prospects for the dividend yield?

Steel Company of Canada still has to pay $10 a share on the common stock to bring the disbursements on the shares into equilibrium with the total payments of previous years on the preferred. While this is being effected, a substantial yield is returned on the shares, calculating extras along with the annual dividend of $1.75 a share, even at the present high price for the stock. Eventually, there is a prospect of continued extras in equal participation with the preferred.

Easy Washing

What is the prospect for Easy Washing common shares?

Easy Washing Machine Co. has a small capitalization with only 7,576 shares of preferred stock of $10 each ahead of the 28,330 common. Consequently, substantial earnings could be shown on the common stock if recovery to anything like the pre-depression levels is realized. In 1935 only two cents a share was earned on the common, but 1936 showed improvement.

Massey Preferred

Among several preferred stocks at a substantial discount, I am thinking of buying Massey-Harris preferred. What is the outlook for this stock?

Massey-Harris preferred has not been enjoying any earnings, but the company will show substantial improvement for the year ended Nov. 30, 1936. Dividends on the preferred do not appear to be likely in 1937, but might become a possibility for 1938 if large crops were reaped at present prices. A great deal depends on the crop conditions in 1937. The company, however, has proved its ability to weather the depression and the preferred shares may eventually come in for better things. There is over $30 a share of arrears on the stock, so any settlement of the preferred arrears should be favorable.

Canada & Dominion Sugar

What is the position of Canada & Dominion Sugar common as an investment? What is the company's standing in the industry?

Canada & Dominion Sugar Co. is the major firm in the sugar business in Canada, handling approximately 45% of the domestic business. The company showed a working capital of approximately $13 millions in 1936, and a book equity for the common stock of $34.31 a share. There are no senior securities. Earnings were $3.47 a share in the year ended Jan. 31, 1936, and in that year dividends of $2.50 a share were paid. In the year running to Jan. 31, 1937, earnings are believed to have improved, and total dividend disbursements were $3.50 a share. The company pays regular quarterly dividends at the rate of $1.50 annually and makes the other disbursements in the way of extra payments. The huge working capital should allow continuation of substantial dividends.

United Grain

Do you consider United Grain Growers bonds as satisfactory investment securities?

United Grain Growers earned its bond interest, after depreciation, in every year but one during the depression. The bond issues have been reduced by more than 25%, improving the security in proportion to remaining bonds. The comparatively high yield has attractions under present investment conditions, but small volume in the grain handling trade is an adverse influence for earnings at present.

Goodyear Preferred

I am holding Goodyear Tire preferred and wonder whether it is likely to go much higher and whether I should retain it as an investment.

Goodyear Tire & Rubber Co. earns its 5% dividend on the new preferred shares by about 10 times after all charges. The margin of earnings, therefore, is hardly in question. On the other hand, the shares sell for $56 each, and are callable at $52.50 each. While immediate redemption of the stock is not expected it is an eventual possibility. The shares show a satisfactory yield to the investor who bought at $50, but there is not much prospect of a further improvement in price and there is the further ultimate possibility of redemption at $52.50. The price of the shares reflects a high investment rating.

Industrial Acceptance

I have some money for reinvestment and would like to have your advice on Industrial Acceptance Corp.

Industrial Acceptance Corp. is one of the principal Canadian companies handling "commercial paper." During the past year it recorded a substantial increase in volume of business, while earnings are reported to have kept pace. The record of operations is a favorable one and dividends are planned by directors.

Amalgamated Electric

A client of ours has some shares in Amalgamated Electric Corp. Can you tell me what this company does and if its record has been satisfactory?

Amalgamated Electric Corp., controlled by Northern Electric Co., manufactures and distributes a wide variety of electrical apparatus. No dividends have been paid on the capital stock since March 15, 1929.

The deficit was reduced in 1935 and 1936 but dividends are not yet in sight. Earnings improved in 1935.

There is a rather inactive market on Amalgamated Electric stock. Between Jan. 9 and Jan. 15, for instance, 15 shares of preferred were sold on the Montreal Stock Exchange at $31 a share. Current market on the Amalgamated common is $6 a share.

SUPERANNUATED

R. H. Spurr, for several years past directing the affairs of Imperial Oil Limited in Newfoundland, who has been superannuated. Mr. and Mrs. Spurr will leave Newfoundland shortly on a two-year travel tour. He will be succeeded in Newfoundland by D. S. L. Patterson, manager at Saskatoon, Sask.

Kelvinator Dividend

What are the prospects for Kelvinator of Canada as a dividend investment?

Kelvinator of Canada Ltd. earned $3.05 a share on the common last year and paid an initial dividend of $1.25 a share. Company officials look for a good year in 1937, which is indicated by expansion of plant capacity, but the company has not established a definite dividend policy, so the outlook for investment returns on the shares is not entirely clear. The company is in a strong liquid position and could made substantial payments if the 1937 anticipations are realized, but a definite dividend basis has not been established.

Howard Smith

Can you tell me whether or not there are any immediate prospects of Howard Smith paying a dividend on the common stock?

There does not appear to be an immediate prospect of Howard Smith Paper Mills paying a dividend on its common stock, though the recent reorganization plan placed the company in a position to make such a distribution. The 1935 consolidated income statement shows earnings of 83 cents a share on the common stock. Net working capital at the end of 1935 was $2.3 millions, of which cash on hand amounted to $217,513 and accounts and notes receivable $860,220. It would seem to be the policy to build up reserves and strengthen liquid cash position.

Can. Celanese

As a subscriber to The Financial Post, I would like to have a report on Canadian Celanese.

Canadian Celanese owns the Dreyfus patents and processes for the manufacture of cellulose acetate. Since it started operations in 1926, manufacturing has expanded at a rapid pace and earnings have increased to the point where in 1935. $3.18 a share was shown on the common stock. In recent months the company has undertaken additional plant expansion for the purpose of adding new lines and meeting the continued demand for its products. While the outlook for the textile industry as a whole does not appear overly encouraging, still this company has been able to maintain its position in a satisfactory manner. Currently the company is paying a dividend of $1.60 annually on the common stock, a rate well within earning power.

Saskatchewan Bonds

I hold $4,000 of Saskatchewan bonds which I bought some years ago. I am rather worried about this investment at present and would appreciate your comments.

Your investment in Saskatchewan bonds is not a particularly happy one as is indicated by the present price of the bonds. Finances of the province are in a rather precarious position. Unless some assistance is forthcoming in the near future from the Dominion Government in the form of a refunding scheme under Dominion guarantee or additional grants, there is a distinct possibility of default or a cut in interest rates. Fortunately the province has no maturity falling due this year.

To date the Dominion Government has resisted all appeals for assistance from this province and from Manitoba. There are indications, however, that the federal authorities may offer some kind of assistance. The Bank of Canada is making a survey of the financial position of the province on behalf of the Federal Government. If the Dominion offers a guarantee under a refunding scheme or other type of assistance the position of the bonds will be improved even though bond interest is reduced.

C. S. L.

When Canada Steamships reorganized, did they just issue a new preferred or did they split it?

Under the terms of the recapitalization carried out last month, the old preferred was eliminated and replaced by no par value common stock on the basis of 1¼ new common shares for each share of 6% preferred held. The new preferred was issued to bondholders.

International Paints

Will you please let me know what happened to the preferred stock of International Paints (Canada)?

Changes effected in the capital stock of International Paints (Canada) during 1936 resulted in holders of old 7½% preferred receiving 1½ shares of new 5-6% preferred for each old share held. The dividend rate on the new preferred becomes 6% when the old arrears have been eliminated; in other words, accumulated arrears of dividends on the old stock, amounting to $252,000, remain an obligation on the company to be paid as earnings are available. There was no change in the number of shares of class A and B stocks outstanding.

C. P. R.

Kindly let me have your views on the preference shares of the Canadian Pacific Railway.

C.P.R. noncumulative preference shares are not without attraction. While the dividend on this security was deferred in Oct., 1932, income in 1934 was sufficient to meet the charge. In 1935 the dividend was not earned owing to the fact that a large amount was written off for steamship depreciation. As regards the past year expectations are the company will be able to show sufficient earnings to cover the preferred dividend after steamship depreciation charges. Dividend prospects for the future are brightened by the recent declaration of a 1% payment from 1936 earnings.

Simpson's Bonds

Please let me have your comments on Simpsons Ltd. 4¼% bonds.

Simpson's Ltd. 4¼% bonds are well regarded. Except for the year 1933 the company earned its bond interest throughout the depression after allowing for depreciation. In 1935 interest was earned 2.11 times after depreciation. During 1936 there was marked improvement in the company's earnings. Indications are that profits may be sufficient to cover dividends on the preferred stock.

English Electric

Would you kindly tell me what you know of English Electric? What are its indebtedness, dividend policy and prospect for future business?

English Electric Co. of Canada has no funded debt, and shows no bank loans in its financial statement. The company manufactures electrical equipment, and had considerable improvement in earnings in 1936. It is expected, therefore, that the deficit of $66,800 carried forward in 1935 may be eliminated. However, dividends are not an immediate prospect. The company's working capital gradually declined from $1,065,000 in 1930 to approximately $550,000 in 1935. Some increase is likely for 1936.

The company's prospects for future business are regarded as favorable because of the revival of demand for heavier equipment. However, one of the company's most important developments is in connection with manufacture of electric light bulbs. A writ has been issued by Canadian General Electric Co. alleging breach of patent in connection with this development. If English Electric Co. is successful in sustaining its plans to make bulbs, it would indicate more stability in future earnings than has been possible by manufacturing mostly heavy equipment. No dividends have been paid since 1932, and, in any event, the class A shares are entitled to dividends of $3 a share in any year before any payments are due on the class B shares.

Penman's

Can you tell me anything about earnings, working capital and dividends of Penmans Ltd.?

Penmans is a well-run strongly financed company with steady earning power. Sales have steadily increased since 1931, totalling $5.2 millions in 1935. Net profits for that year amounted to $295,366, as against $274,592 in 1934. Working capital at the end of 1935 amounted to about $2.5 millions and was the highest since 1929. Dividends of $3 a share have been paid on the common stock since 1932. The company may be affected by tariff changes.

Montreal Power

Please let me know how much Montreal Power earned on its common stock last year and prospects of earnings for 1937.

Net profits of Montreal Light Heat and Power Consolidated during 1936 were equivalent to $1.75 a share on the common stock, about the same as in 1935. No material change is expected in the operations of the company during the current year and dependent upon nonoperating revenue, earnings for 1937 should be somewhat higher.

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

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THE TORONTO STOCK EXCHANGE

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TORONTO
Elgin 3294

The
Greenshields Review

Copy of February issue, which includes some comment on outlook in paper industry, will be mailed on request.

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Government Bonds
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CORPORATION LIMITED
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ONE BILLION DOLLARS
PAID OUT IN BENEFITS BY
SUN LIFE OF CANADA
SINCE FIRST POLICY WAS ISSUED IN 1871

SECURITY SERVICE
WORLD WIDE

To Policyholders and The Public

Another milestone of achievement in public service has been passed by the Company during 1936. Of the many significant features of the Annual Report, perhaps the most striking is that during sixty-six years of operation the Sun Life of Canada has paid in benefits to its policyholders and beneficiaries more than One Billion Dollars. These benefits, made possible by the thrift and foresight of men and women brought together for mutual protection, have made a notable contribution to the sum of human happiness and national well-being.

Life assurance is a great co-operative enterprise by which millions of policyholders are enabled to provide financial security for their dependants and themselves. Its contributions to the public welfare are continuous and ever-expanding. The savings of policyholders in the form of premiums, invested in Government securities and in basic industries, are an important factor in national progress and stability, while the benefits distributed maintain homes and lessen the demands for public and private relief.

Arthur B. Wood
PRESIDENT AND MANAGING DIRECTOR.

Features of 1936

ASSURANCES IN FORCE—The increase in assurances in force reflects the improvement in general business conditions.

INTEREST RATE—The average interest rate earned on the Company's investments again increased.

ASSETS—The assets of the Company were increased by seventy million dollars during the year 1936 and now stand at seven hundred and seventy-seven million dollars, the highest in the Company's history.

Dividends to Policyholders

Participating policyholders will share in the Company's progress by increased dividend payments during 1937. . . .

SUMMARY OF ANNUAL REPORT

ASSURANCES IN FORCE, December 31, 1936		$2,775,949,087
NEW ASSURANCES PAID FOR		219,966,637
INCOME		164,083,596
DISBURSEMENTS		103,384,868
EXCESS OF INCOME OVER DISBURSEMENTS		60,698,728
PAYMENTS TO POLICYHOLDERS AND BENEFICIARIES:		
During the year 1936		77,489,305
Since organization		1,046,104,001
ASSETS		777,803,539
LIABILITIES		740,446,963
PAID-UP CAPITAL ($2,000,000) and balance at credit of shareholders' account	$3,450,303	
RESERVE for depreciation in mortgages and real estate	5,788,065	
CONTINGENCY RESERVE	10,000,000	
SURPLUS	18,118,208	
		$37,356,576

Securities are carried in the balance sheet at book values which in the aggregate are lower than market values.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE . . . MONTREAL

Mutual Life of Canada Shows 67th Successive Annual Gain In Total Insurance in Force

19,000 New Policies Issued During 1936; Total Assets Now $161,000,000; Reserves Increased to $13,753,903; Sales for Past Year Show Substantial Increase; $3,500,000 Dividends Paid to Policyholders.

President Speaks on Canadian Problems

One of the outstanding features of the reports presented to policyholders of The Mutual Life of Canada by Mr. R. O. McCulloch, President, and Mr. W. H. Somerville, General Manager, at the Annual Meeting held at the Head Office on February 4 was that for the 67th year in succession the Company has closed its books with more insurance in force than at the beginning of the year. The company was established in 1869.

19,000 New Policies

Over 19,000 policies for insurance totalling $49,000,000 were issued and revived during 1936, bringing the total insurance in force (excluding annuities) to $537,895,000, 97% of which is in force in Canada.

Sales Show Increase Over 1936

The sales exceeded the 1935 figure by three quarters of a million dollars. The number of policyholders was increased to 155,000, and the number of policies to 228,000.

Policyholders Take Additional Insurance

45% of the insurance sold was on the lives of people who already owned policies with the Company.

$3,500,000 Dividends to Policyholders

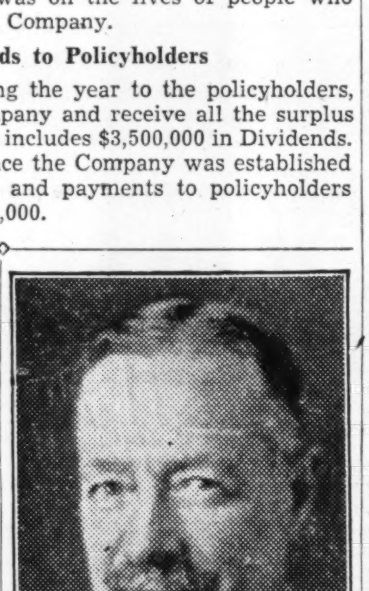
The total amount paid during the year to the policyholders, who are the owners of the Company and receive all the surplus earnings, was $15,983,000, which includes $3,500,000 in Dividends. Total payments in Dividends since the Company was established in 1869 amount to $66,000,000, and payments to policyholders for all purposes exceed $215,000,000.

Assets Increase

It was reported that the Company's assets increased during the year by $8,475,000 and now total $161,000,000.

Reserves Increased

The Total of Special Reserves and Surplus Funds was increased by $1,200,860, to a total of $13,753,903.



R. O. McCulloch, Galt
President of The Mutual Life of Canada

Address by President, Mr. R. O. McCulloch

The full text of the President's address follows:—

"The record of the Company for the past year, as shown by the Directors' Report, must, I am sure, be very gratifying to you. Through the year just closed the Company has maintained the steady progress and the successful operation which has characterized it since its foundation sixty-eight years ago. The Balance Sheet discloses a position of exceptional strength. As the General manager has dealt with the main features of the financial statement, I will not make further comment on it. The year 1936 was an eventful and in many ways an encouraging one. With the exception of some large areas in the Prairie Provinces, and the construction industry, there has been a general economic improvement. Our national income has substantially increased. Federal revenues were much higher by reason of increasing income taxes, customs, excise and sales taxes, etc. Gains have been made in most industries, in mining and in tourist traffic and there is a return of confidence which is essential to prosperity.

New Investments

"One of our chief problems last year was the investment of our funds at reasonable rates and the safe guarding of investments already made. Financial policies in effect have been such as to insure an ample supply of reasonably cheap money available wherever credit was desired and warranted. There was a sharp rise in commodity prices in general and wheat in particular, whereas in the security markets in which the Company is always greatly interested by reason of our accumulating funds which must constantly be invested, the past year witnessed an improvement in the prices of practically all groups of Canadian bonds with the exception of Western Provincial Government obligations which were adversely affected by Alberta legislation and of the bonds of some defaulting municipalities.

Yields Are Lower

"The available yield from long term Federal and Eastern Provincial Government bonds declined about 13% during the year. The Corporation Bond market was extremely active and borrowing corporations were enabled to call 5% and 6% bonds and redeem them with the proceeds of new 3% and 4% issues at prices which yielded from about 3% to 4½% to the investors.

"It is naturally difficult for institutional investors in high grade corporate securities to be enthusiastic about the low coupons placed on the various refunding issues reaching the market.

Who the Creditors Are

"It will be admitted that it was desirable to ease the burden of interest for Government, municipality, company and other debtors but I think it is most important that the creditors, comprising large numbers of our successful and thrifty citizens, should not be forgotten. It is their future as well as existing investments upon which we must depend for the financing required to conduct the businesses which carry our payrolls. In the attempt to keep the debtor solvent, we might have to face a situation where another class of people—the creditor—might be seriously injured. It will be readily understood how this would come about when it is considered how financial institutions have continued to carry on their business and invest their funds at the prevailing high prices of good bonds and that if there should be a return of interest rates, even in part, to those which prevailed say from 1920 to 1930, market values of portfolios would be reduced to an extent which might easily prove embarrassing to many companies. Fortunately for us, life insurance companies by selecting maturities can avoid the necessity of liquidating securities before maturity.

Earnings From Thrift

"Easy money has reduced the earnings of all thrift accumulations. Our business is mainly thrift and, as a writer has said, there must be a living wage for money if thrift is to persist. The thrifty are consumers of goods and services and the offset to reduction in their earnings must be in lower prices for the necessities of life.

Debtors and Creditors

"There has of late been widespread and not infrequently just, sympathy for debtors and at the same time much ill-founded abuse of creditors and, while it is unnecessary for me to comment on this much discussed question at any length, I would like to throw in the weight of my opinion with those who advocate a just consideration of the rights of each.

"While the farm investments of the Company represent only a small proportion of its assets, (approximately 5%), the importance of the steady recovery in Western agriculture to our national prosperity impels us to take a personal interest in each individual farm account.

"The security for these investments consists of the farm homes and lands of approximately three thousand farmers and their families. Since 1929, due chiefly to lack of markets and adverse climatic conditions, many farmers, through circumstances beyond their control, have been unable to make ends meet, some have become discouraged but most of them have bravely carried on.

Farm Adjustments

"At our Annual Meeting on the 7th of February, 1935, I stated it would be the Company's policy to continue to offer special assistance to its farm borrowers. In pursuit of this policy the circumstances of each borrower have been considered. Many adjustments have been made in the amount owing, the rate of interest and terms of repayment, to insure that the deserving farmer can continue with a reasonable prospect of success.

"The results have been gratifying. Many farm accounts previously in an unsatisfactory state have been placed upon what the Company feels is a sound investment basis; the farmer feels more secure, his morale has been improved, and the relations between the Company and its borrower maintained on a friendly and satisfactory basis.

Crop Prospects

With regard to our farm investments located in the drought areas, the summer of 1936 again witnessed a combination of high temperatures and insufficient rainfall resulting in many crop failures. There may be some districts in the drought areas which should not have been brought under cultivation although except for a few accounts our securities in these areas consist of good fertile farms which with normal rainfalls will again produce satisfactory yields of high quality wheat at relatively low cost even for Western Canada.

"There is a serious shortage of both surface and sub-soil moisture in the West at this time. I trust this deficiency may at least in part be remedied before another crop season, and valuable experience is being acquired in connection with moisture conservation by improved methods of cultivation.

Brighter Picture

"The general picture with respect to our Western investments is much brighter than at any period since 1929. The large accumulated wheat surplus has been disposed of, the prices of all grains are much higher and there appears every likelihood that this country may enter another crop year with less than a normal carry-over. While the 1936 crop was relatively low in yield, it produced high quality grain, was harvested at low cost and readily marketed at remunerative prices although some of the increase in the price of wheat occurred after many farmers had marketed their wheat and the profit found its way into other hands.

"The price relationship between what the farmers buy and sell is gradually becoming more equitably established. Since 1930 production costs have been cut to a very low figure and farm practices greatly improved.

Farm Reconditioning

"To secure the best results, many Western farmers require to recondition their farm buildings, equipment and houses, which have been allowed to seriously deteriorate, and unfortunately their financial position is so serious that more than one prosperous year will be required to renew their purchasing power and provide funds for these necessary improvements.

"Funds to finance these essential needs in the meantime and to rehabilitate these farms where necessary can be best obtained through credit facilities that have been tried and tested through years of experience, and I hope that Western agricultural recovery will not be further impeded by hastily conceived measures or actions which might further damage Western credit and retard the recovery which has now commenced.

Relief Debts Cancelled

"A plan for the voluntary reduction of debts in the drought area in Saskatchewan on an extensive scale is being proceeded with as a result of negotiations between the Dominion Government, the Saskatchewan Government, the rural municipalities and the lending institutions The Dominion and Provincial Governments have arranged for the cancellation of relief and seed grain indebtedness incurred prior to January 1st, 1935. Arrears of taxes were reduced to the approximate average of two years. Lending institutions agreed to make a general reduction in outstanding arrears of interest in the drought areas and in addition the rates of interest on all farm loans throughout the Province were reduced to 6%. I regret to observe that an effort is apparently being made in certain quarters to stir up opposition to this plan. This is most unfortunate as, while it is clearly impossible to satisfy everyone, I believe the Saskatchewan plan contains the nearest possible solution of a most difficult problem of very great magnitude.

Alberta Legislation

"Companies with farm mortgage loans in Manitoba voluntarily took action similar to the arrangement made in Saskatchewan. Any action of like nature in Alberta has not been possible up to the present time because of the enactment by the Alberta Government of the ill-conceived Reduction and Settlement of Debt Act and other credit damaging legislation. As this Act deals with interest rates, which, under our constitution, are within the exclusive jurisdiction of the Dominion Parliament, legal counsel have advised that it is invalid and this question is now before the courts in Alberta. Until this question is disposed of, the adjustment of farm mortgages in Alberta remains in abeyance.

W. H. SOMERVILLE, Waterloo
General Manager of The Mutual Life of Canada

"It should also be pointed out that the Alberta Reduction and settlement of Debts Act applies to urban mortgages as well as rural although our experience of city mortgages in Western Canada throughout the depression has been equally satisfactory with that of Eastern Canada and indicates no necessity for adjustment in indebtedness even in isolated cases.

Attitude of Borrowers

"I am very glad to be able to report that there has been no disposition on the part of our mortgagors in Alberta to take advantage of the provisions of this legislation and while mortgage collections in the Province have been curtailed to some extent as a result of the uncertainty regarding the validity of the legislation, our collection experience through the four months following the enactment of the Act in question indicates that the large majority of Alberta citizens do not desire to evade their obligations and have shown a willingness to negotiate a reasonable adjustment of their mortgage indebtedness.

"It cannot be too strongly emphasized that much of the relief already effected was provided at the expense of hundreds of thousands of policyholders located throughout Canada. While I think that our policyholders generally would approve the contribution already made, there is a limit beyond which institutions such as ours, operated solely for the purpose of the economic life and social welfare of its members and dependents, cannot be expected to go.

Securities in Demand

"The relief which is really required in the West is a national obligation which the Federal Government should deal with and it should not be thrown disproportionately on some of our citizens merely because they happen to have made investments there. Funds to provide these essential needs for the West must be provided. By reason of the stand which our Federal Government has taken throughout the depression in regard to its financial obligations and also as a result of our favorable trade balances of the past few years. Canada enjoys a credit position which makes her securities greatly sought in investment circles and enables her to refund existing obligations and arrange new borrowings at exceptionally low rates of interest in the face of a heavy national debt and a still unbalanced budget.

Provincial Problems

"On the other hand, some of our Provinces are so hard pressed by conditions beyond their control that although (except for the unnecessary default of Alberta) no actual default has been made in meeting public obligations, their existing conditions have prevented them from obtaining the benefit of lower interest rates.

"Some discussion has taken place recently with regard to immigration. It may be said that if the growth of population is to be determined by natural increase, the development of our country will be extremely slow and the burden of debt arising from the provision in the past for a large population will be very heavy on our citizens for many years to come. Our experience in agriculture in the past fifteen years has proved that the small quarter and half section farm units show a stronger resistance to depression than the large farms. The areas of Western Canada suitable for grain and mixed farming now under cultivation are capable of supporting a large increase in population, the purchasing power of which would assist in supporting surrounding municipalities as well as ensuring steady employment to the industrial areas of the East.

"Experience has shown that men brought up in the urban districts cannot be expected to adjust themselves to the hours of labor and living conditions found on the prairie farms and if our Western areas are to be adequately populated within a reasonable period, it seems to me that we should look to the densely populated areas of Northern Europe for our agricultural recruits. It is probable that the unrest in Europe at the present time might provide suitable immigration and I think that a definite policy by the Federal Government at the present time would not be considered premature.

Deplores Repudiation

"There is, unfortunately, a seemingly popular conception that the assets and income of life insurance companies belong to a few and that the companies are big institutions whose interests are inimical to the public weal. That such a conception is definitely erroneous has often been stated by officials of the companies but the fact that the assets and the income of the life companies are trust funds held in safe-keeping for many thousands of individuals is one that cannot be over-emphasized. In initiating action harmful to the interest of the companies by repudiating contractual obligations, damage is not being done to the so-called big interests but to the rights and property of the great number of citizens who by their prudence are endeavoring to provide through their insurance policies security for themselves and their dependents. It seems that it is often overlooked that these people who pursue "the even tenor of their way" form the backbone of the nation.

Attitude of Debtors

"If legislators would listen less to the demands of agitators and those who seek the limelight by urging some untried system and would have more regard for the large body of our citizens who, attending to their business, have less time to give publicity to their needs, a greater contribution to our welfare would be made. The debtor who is in genuine need of relief must be helped but there are those well able to meet their obligations who find it profitable to agitate for and support measures designed to reduce their liabilities.

"It is not by the enforced reduction of the amounts we owe one another, which decreases income as well as expenditure, but by increasing production and the exchange of commodities and services amongst ourselves and with other nations that a major contribution to our well being will be made.

"It is again a great pleasure to acknowledge the very efficient services of our office and field forces during the past year and I wish to express the thanks of your Directors for their continued loyalty, efficiency and co-operation.

In conclusion, the period of depression is definitely passing; a return of confidence is manifest in many directions and I think we are justified in believing that the improvement which has already been made will be continued and that 1937 will be a year of increasing prosperity."

Address by General Manager, Mr. W. H. Somerville

The General Manager, Mr. W. H. Somerville, in his comments on the statements presented at the Meeting, stated that the new assurances issued in 1936, of $44,472,470, were slightly over three-quarters of a million greater than in the preceding year; and that, of the total insurance in force, $537,895,287 ordinary insurance was $523,135,781, and group insurance $14,759,506. Of the total amount, $521,495,784 was in force in Canada. The gain in insurance in force was $10,523,101.

The cash receipts were $28,237,458.63, and disbursements, including provision for depreciation in value of investments, $19,777,171.86, resulting in an increase of $8,460,286.77 in the Net Ledger Assets, and bringing the total assets of the Company to $161,106,207.82 at the close of the year.

The rate of interest earned on the Ledger Assets was 4.81%.

Profits From Securities

Profits realized from sales of securities of $1,276,669.85 were used, to the extent of $941,154.36, to write down the cost price of new investments, and $300,675.09 to provide for further possible depreciation in value of bonds.

The value of the Company's bonds and stocks on the basis of market value as of November 30, 1936, exceeded the value at which these were taken into the Company's books by $7,557,887.10.

The surplus earnings for the year were $4,701,711.93; and the total of special reserves and surplus funds was increased by $1,200,860.94 to a total of $13,753,903.23, including $3,500,000 for dividends payable in 1937, $4,834,822.38 free surplus, $2,000,000 general investment reserve, $1,147,863.51 specific depreciation reserve on mortgages and sale agreements, and $900,000 policy reserve adjustment fund.

Division of Assets

The Company's total assets of over $161,000,000 are invested in the following main groups: Government and other bonds, 50.7%; mortgages, 22.8%; loans to policyholders, 17.2%; cash, real estate, stocks, due and deferred premiums and interest, 9.3%.

LOUIS L. LANG, Kitchener
First Vice-President of The Mutual Life of Canada

Bond purchases made during the year aggregated $20,445,768.85, representing investment of new money and proceeds arising from the sale and redemption of securities. The return on these new bond investments was 3.48%.

Policy loans were reduced $1,076,217.21, an indication of improved business conditions.

While the amount of claims incurred in 1936 by reason of deaths of policyholders increased $272,453, the total was well below the amount for which provision had been made, being in line with the Company's experience of the past several years. Altogether, the statements reviewed were evidence of sound and satisfactory progress.

Directors Re-elected

The retiring members of the Board, Messrs. G. Blair Gordon, Montreal, T. A. Russel, LL.D., Toronto, Isaac Pitblado, K.C., LL.D., Winnipeg, C. F. Sise, Montreal and Major Gen. Hon. S. C. Mewburn, K.C., C.M.G., were re-elected.

At a meeting of the Board held subsequently to the Annual Meeting Mr. R. O. McCulloch, Galt, was re-elected President, Mr. L. L. Lang, Kitchener, First Vice-President, and Hon. S. C. Mewburn, Hamilton, 2nd Vice-President.

In addition to the Directors who were re-elected the following are members of the board: W. H. Somerville, Waterloo, General Manager, W. G. Watson, Toronto, E. G. Long, K.C., Toronto, Glyn Osler, K.C., Toronto, J. Fred Fraser, Halifax, J. E. Perrault, K.C., LL.D., Arthabaska, Que., C. H. Houson, Chatham, and W. G. Murrin, Vancouver, B.C.

SUMMARY OF ASSETS

	Dec. 31 1936	Per. of Total Dec. 31 1936	Per. of Total Dec. 31 1935	Change from 1935
Government and Municipal Bonds (All Canadian)	$ 65,274,364	40.5	36.7	+$9,218,593
Other Bonds	16,481,092	10.2	10.6	+ 380,472
Mortgages and Sale Agreements,				
City	28,444,256	17.7	19.6	— 1,458,969
Farm	8,153,394	5.1	5.6	— 421,823
Loans to Policyholders	27,657,896	17.2	18.8	— 1,076,217
Real Estate	5,371,964	3.3	3.3	+ 328,393
Cash	982,016	.6	.6	+ 14,213
Stocks	3,545,638	2.2	1.3	+ 1,499,433
Due and Deferred Premiums	2,783,910	1.7	1.6	+ 275,243
Due and Accrued Interest	2,400,936	1.5	1.8	— 289,395
Other Assets	10,742	..	.1	+ 5,108
	$161,106,208	100.0	100.0	+$8,475,051

ANALYSIS OF BOND HOLDINGS

	Dec. 31 1936	Per. of Total Dec. 31 1936	Per. of Total Dec. 31 1935	Change from 1935
Government, Canadian	$ 46,965,428	57.5	52.5	+$9,074,617
Foreign	166,367	.2	.1	+ 86,732
Government Subsidized	743,889	.9	.8	+ 152,085
Municipal and Parochial	19,466,693	23.8	26.8	+ 148,803
Public Utilities	7,592,448	9.3	9.4	+ 804,396
Railways	1,243,802	1.5	1.4	+ 212,201
Institutional	736,698	.9	.8	+ 132,411
Industrial	2,943,967	3.6	5.0	— 672,627
Other Corporation Bonds	1,896,163	2.3	3.2	— 339,554
	$ 81,755,455	100.0	100.0	+$9,599,064

The table showing the geographical distribution of the Company's holdings of $47,131,795.10 of Canadian and Foreign Government Bonds may also be of interest.

DISTRIBUTION OF GOVERNMENT BOND INVESTMENTS

	Dec. 31, 1935	Dec. 31, 1936	Net Change During 1936
Dominion of Canada	$18,516,591.26	$26,998,928.96	$8,482,337.70
Gtd. by Dominion of Canada	6,653,907.41	6,933,982.12	280,074.71
Province of Alberta	56,616.00	48,600.00	— 8,016.00
Province of British Columbia	82,326.36	82,014.00	— 312.36
Province of Manitoba	366,051.32	353,221.60	— 12,829.72
Gtd. by Manitoba	305,069.02	274,520.00	— 30,549.02
Province of New Brunswick	1,663,756.26	1,276,599.00	— 387,157.26
Gtd. by New Brunswick	95,108.80	95,673.00	564.20
Province of Nova Scotia	1,843,393.87	1,986,670.85	141,276.98
Province of Ontario	2,693,842.67	3,353,815.70	659,973.03
Gtd. by Ontario	2,301,970.31	2,038,188.23	— 263,782.08
Province of P. E. I.	97,902.00	99,443.00	1,541.00
Gtd. by P. E. I.	4,888.16	4,490.01	— 398.15
Province of Quebec	2,654,264.10	2,990,525.25	336,261.15
Province of Saskatchewan	553,123.65	428,756.88	— 124,366.77
Commonwealth of Australia		38,127.50	38,127.50
Kingdom of Norway		48,778.00	48,778.00
United States Treasury	79,635.00	79,461.00	— 174.00
	$37,970,446.19	$47,131,795.10	$9,161,348.91

What's What In Advertising

By TORY FLEMING

The Industrial Advertisers' Association of Ontario, recently affiliated with the National Industrial Advertisers' Association, Chicago, is now fully organized, with the following elected as officers:

President, V. R. Young, Canadian General Electric Co.

Vice-president, Chester B. Hamilton, Jr., Hamilton Gear & Machine Co.

Secretary, L. B. Hicks, Canadian General Electric Co.

Treasurer, L. E. Messinger, Canadian Line Materials Ltd.

Directors, G. A. Brace, Ferranti Electric Co.; J. A. M. Galilee, Canadian Westinghouse Co.; G. W. Lawrence, Sangamo Electric Co.; J. G. Beare, Link-Belt Ltd.; B. G. Newton, The MacLean Publishing Co.

Two classes of members will be admitted to the new association. Active members will consist of employees of firms, associations, advertising agencies and institutions having industrial advertising or marketing problems. Employees of industrial publications and service organizations in the field will be admitted as associate members. Purpose of the organization is to promote better standards and to further the interests of industrial advertising and marketing. Exchange of ideas, elimination of waste in distribution will also be fostered by the association.

• • •

Centred around a new type of display a campaign for Rubberset brushes is breaking in newspapers. Known as the "Brusheteria" the display is featured by dealers across the country. It shows the various lines of brushes and illustrates the uses for which they are designed. A test campaign for shaving brushes is also scheduled for a few cities. Ronalds Advertising Agency directs the account.

• • •

New agency appointments of the past few days include McConnell, Baxter and Eastman, Toronto, to direct advertising for the National Life Assurance Company, Toronto; A. McKim Ltd. to handle the adveraising account of the Gurney Foundry Co.

• • •

R. C. Smith, head of the advertising agency bearing his name and dean of advertising in Canada, celebrated a birthday Feb. 8. A party in his honor, given by the staff of R. C. Smith & Son, was attended by many in the advertising fraternity in Toronto. Mr. Smith, a familiar and distinguished figure, looks 60, conducts his business like a man of 50 or less, and smilingly refuses to disclose his real age.

• • •

A full page in color appeared in Hardware and Metal for Duo-Therm oil-burning heaters, product of Motor Wheel Corp. and distributed in Canada by W. J. Addison Ltd., Toronto. Young and Rubicam, Toronto, is directing the advertising. New on the Canadian market, Duo-Therm heaters will be actively advertised. Plans for a consumer campaign are under way now.

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The 1937 advertising appropriation of the Dominion Bridge Co., Ltd., will be larger this year than last and the increase will be used to include mining publications. Pages showing photographs of the company's products and of construction work will be used. A. McKim Ltd. is the advertising agency creating and placing the campaign.

A "G. M." at 33

E. G. Burton Achieves Success by Merit Not Influence

By NORMAN A. WHITE

"Oh! he is the son of the president."

This is the rather cynical reaction of a large section of the Canadian public toward the appointment of Edgar G. Burton, eldest son of C. L. Burton, president and managing director of Simpsons Ltd., to the position of general manager of Simpsons Toronto store, at the age of 33.

Those who know him and who have worked with and under him, however, are aware that the younger Burton did not achieve his responsible position through parental influence, but rather through "sheer ability and hard work."

True, he had opportunities which are not open to many young men, but unlike sons of many rich and influential fathers he grasped those opportunities and made the best of them.

Is A Hard Worker

A hard worker, he has never been known to shirk any duty which might devolve upon him or not to finish a task he started. With him, work has always come first. This, along with a willingness to take counsel from those best able to advise him, has perhaps been the key to his success.

A fast thinker, yet not impulsive, he is a man of action. He knows how to accomplish a great deal of work in a short space of time. More important still, he has the knack of putting his finger on the core of any problem that may be confronting him. This indicates an analytical mind.

To his new position, which will entail general supervision of all departments of the Toronto store, Edgar Burton comes from a career as head of the women's outer garments department of the company. Furthermore, he comes with a thorough merchandising background and a wide working knowledge of the key markets of the world.

Has Been Successful Buyer

Perhaps the greatest tribute to his ability is the fact that he successfully guided through the depression the women's outer garments departments, the managerial duties of which are more difficult than any other department in the business. Not only is this department the largest in Simpsons store, but it is the very backbone of the department store business.

Because of the changeability of women's fashions, it requires much more careful buying than is the case with most departments and also more rapid liquidation of stock. Failure to keep goods moving may result in serious losses.

For the writer, the most difficult problem would be to determine what would appeal to the feminine taste. While recognizing that one must have style sense and natural good taste, Edgar Burton thinks that good buyers of even women's outer garments are developed and not born. He does not think he achieved his success in this phase of merchandising through any inherent qualities, but rather through concentration on his duties and attention to details.

Exceedingly Popular

Unlike many a "boss" and even more unlike many a son of a president who has attained a responsible position, young Burton is extremely popular with those who have worked under him. Office boys, clerks and department heads all respect him. He is, in fact, one of the best liked managers in the Toronto store.

An even more striking tribute to his character is the fact that he has retained the confidence and respect of the trade, that is, of those from whom he buys goods.

Like many another boy, Edgar Burton had a career mapped out for him by his parents. His father wanted him to go in for law. With this in view, following graduation from the University of Toronto Schools and a year at university, he became articled to the law firm of Starr, Spence, Fraser and Hall.

A serious motor accident, however, six months after he started in as a law student, changed the entire course of his life. Forced to convalesce for a year he had time to think about himself and what he wanted to do. It was then he decided that law was entirely too uninteresting and that he wanted to follow in his father's footsteps and embark on a career in merchandising. With his mind made up, his father sent him to Europe for seven months in order to brush up on his French and get acquainted with the European markets. Although still a youth, he made an exhaustive report on the ability of European industries to serve Canadian distributors. This background stood him in good stead in later years. It is not surprising that it was in Paris, the world's most important fashion centre, that he decided that women's apparel appealed to him more than any other field of merchandising.

Worked in Chicago Store

At the end of seven months, he returned to Canada. His father would not permit him to start in the Toronto store, feeling that he should be forced to prove himself under independent auspices before entering the employ of Simpsons. Otherwise the charge would always be made that his success or promotion was due to parental influence. For this reason it was arranged he should enter the employ of Carson, Pirie, Scott & Co., one of Chicago's largest department stores. He soon showed he had more than ordinary ability, rising from the position of helper in the receiving room to junior assistant manager of a department in the course of two years. He was the first young man of his age whom his department head at Carson, Pirie, Scott & Co. found could be depended upon not to abuse any responsibility and authority he was given.

Not at His Father's Request

When he came to Simpsons Toronto store, after two years experience in Chicago, it was not at his father's behest. It was suggested by the manager of the women's garment department that the time had arrived to bring Edgar back. C. L. Burton, however, refused to interfere, taking the stand that the Chicago firm had treated his son well and that he would not use parental influence. He suggested that if the manager wanted Edgar then he had better go to Chicago and hire him.

EDGAR G. BURTON

This the manager promptly did, feeling young Burton would be an important addition to his staff as buyer of women's coats and suits.

In 1927 he again visited Europe, spending a year in making an extensive study of European markets. In his opinion, this and his previous stay in Europe have been very important factors in his success as a merchandiser.

Horseman and Golfer

While not a sportsman in the accepted sense of the word, he is keenly interested in riding and golf. In both of these sports he is quite proficient. His interest in golf goes back to his childhood days when he was accustomed to knocking golf balls about with a wooden stick. That this interest has been maintained is shown by the fact that he has been known to shoot the Rosedale golf course in Toronto in 70, despite the handicap of a partially disabled hand as a result of the motor accident.

Perhaps, his major interest, however, is in riding and he is a familiar figure at the hunts of the Eglinton Hunt Club. At the present time he rides horses owned by his father, but cherishes the hope that some day he may be able to own a stable of his own.

Another hobby is music. As a youth he was an excellent violinist and was a guest artist on more than one concert programme. In addition, he was an important member of the University of Toronto Schools' orchestra. Unfortunately, his musical career was cut short by the same automobile accident which changed the course of his life, his fingering had being badly broken.

Self-discipline, resulting from his interest in his violin, has been an important factor in his career. From the age of nine until the time he broke his hand he was accustomed to rise at seven o'clock in the morning and practise on his violin for one hour before breakfast. Few boys or men can boast of such a record.

Keenly interested in youth, Edgar Burton is vice-president of the executive committee of the Boy Scout Association and a director of the Neighborhood Workers Association and the Bolton camp.

Success is not a science!

It's the outcome of a state of mind. When a man resolves to plan for his future, he takes the first step towards success.

It is the will to succeed that counts—the determination to save that matters.

Under the LIVING PROTECTION plan of Investors Syndicate, even small sums put aside regularly grow in time to a sizeable little fortune. Our booklet "A New Plan of Life"—free on request—tells you all about this proven aid to future happiness and content. And thousands of Canadians can tell you of its value in building a reserve for the years to come. Behind each contract holder are total resources amounting to $90,889,855, of which $3,946,825 is invested in Canadian Securities.

Write for your copy of the booklet—now.

INVESTORS SYNDICATE
Established 1894
Agency Offices of
INVESTORS SYNDICATE LIMITED
(Head Office: Montreal)
and INVESTORS SYNDICATE
(Head Office: Minneapolis)
159 BAY STREET,
TORONTO, ONT.
at St. John, N.B., Montreal, P.Q., Sherbrooke, P.Q., Three Rivers, P.Q., Hamilton, Ont., Windsor, Ont., Winnipeg, Man., Regina, Sask., Calgary, Alta., Edmonton, Alta., Lethbridge, Alta., Vancouver, B.C., Victoria, B.C., Cranbrook, B.C., and Vernon, B.C.

Bank Chat

Apparently unheard of in Canada, an effort to popularize thumbprint endorsement of cheques is being made by the American Bankers' Association. On the amount of losses involved, the forger is as much a menace to banking as the bandit, it is pointed out, and unless there is put into operation some method of combating him, heavy losses will continue.

One method is that when a cheque is presented by a person who is unknown to the bank concerned, he be required to place his thumbprint below the endorsement. While this would not prevent forgery directly, it would make apprehension of the culprit much more certain. And this, in turn, should be an effective deterrent to a number of would-be forgers.

It is not impossible, therefore, that among the qualifications of the successful bank clerk of tomorrow may be those of a fingerprinting expert.

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Reserve Cut

OBSERVERS in the United States expect short-term interest rates to stiffen somewhat over the current year as a result of the 33 1/3% increase in member bank reserve requirements ordered last week by the Federal Reserve Board. Long-term rates are expected to be "stabilized" but not raised.

It will be recalled that reserve requirements were jacked up 50% last August. The further increase, which will become effective half on March 1 and half on May 1, lops a further $1,500 millions off excess reserves, leaving the figure at about $500 millions. The action was taken, of course, as a deterrent to inflation. The reserves which have been "sterilized" could have supported a very substantial increase of money in the form of bank credit.

Perhaps most significant of the immediate causes was the indication of inflationary trends in raw material markets over the year end, with a material volume of speculation. Low short term interest rates and increasing commercial demand for bank credit are also regarded as contributing factors.

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Odd Balances

OFFICIALS of banks and savings institutions all over England have been burning plenty of midnight oil in recent weeks, figuring out the odd shillings and pence in depositors' accounts. The explanation lies in a very novel fund-raising campaign.

For some weeks Britons with bank accounts have been urged through cleverly designed advertising in newspapers and via radio to authorize their banks to deduct odd amounts showing in their accounts at the close of business, Jan. 28. This date, of course, is the first anniversary of the death of King George V. The idea is for the odd amounts in the bank accounts to be added to a fund to provide children's playing fields as a memorial to the late king.

The response has been described as "tremendous." The average contribution from bank accounts is expected to be approximately ten shillings.

LIFE DIRECTOR

R. A. Wright, director of Bank of Canada and president, Western Canada Livestock Union, who has been elected a director of Saskatchewan Life, Regina.

Royal Bank Wins Suit Against Port Royal Pulp

From Our Own Correspondent

MONTREAL. — Royal Bank of Canada has been awarded judgment of $8,897 in its suit against the Port Royal Pulp and Paper Co.

The bank claimed the money was advanced to E. C. Atkinson, of Fredericton, in a pulpwood transaction and was unpaid.

Net Profits of Canadian Banks Increase by $1 Million in 1936

Net profits of Canadian banks increased $1 million in 1936.

Net earnings for the year, as reported by the nine banks which publish profit and loss statements, totalled $20,133,747, and after deduction of Government taxes and pension fund appropriations, net profits stand at $14,930,741. Comparative figures for 1935 are $18,937,002 and $13,978,596, respectively.

In a year featured by reduction both of gross earnings and in expenditures, all nine banks recorded improvement over the previous year The explanation of this improvement may vary materially between the individual banks. Generally speaking, however, there were a number of contributing factors.

On the one hand, expenses were cut by reduction in interest paid on deposits and by savings in administrative expense. On the other, while commercial loans were sharply lower, the loss in revenue from this source was in part made up by a smaller proportion of losses on outstanding loans, and realization of loans previously written off as "bad." It is quite possible, too, that some of the banks received additional revenue from investments. for while interest rates dipped during the year, a number of the banks report an increase in security holdings more than sufficient to compensate for this.

Interest Savings

It will be recalled that interest on current accounts was eliminated entirely at the beginning of 1936, and that during the year the rate on savings was cut a further ½% to 1½%. As a result, deposits with the chartered banks on which no interest is paid increased during the year from $609.2 millions to $852.5 millions. Even more important, interest-bearing accounts dropped from $1,877.1 millions to $1,782.4 millions; and on this reduced total, a lower rate of interest is paid.

To the savings from this score must be added some from reduced adminstrative expenses. Service charges, an ever present problem, have been administered more generally since the depression first took serious hold. Although no statement has ever been afforded which would indicate the amount of the savings accruing from a policy of making banking services cover at least a good portion of their cost, it is quite probable that they have been substantial.

Funds to Investments

So much for reduced outlay. The earnings picture in 1936, of course, was marked by a continuance of the flow of funds from commercial loans into lower interest-bearing securities. Loans declined about $123 millions during the year, while investments advanced $229 millions. Much of the decline in commercial loan volume, however, is attributed to two factors.

In the first place, 1936 saw liquidation of a substantial portion of Canada's surplus grain holdings, which had been financed by the chartered banks. Thus, loans for this purpose melted away with the wheat in store.

Secondly, a substantial loan to the Canadian Pacific Railway made jointly by the banks, was paid off As a consequence, other types of commercial lending were not nearly as depressed as the bare statistics might indicate. Some banks report an increase in general commercial advances.

Loan Trend

Perhaps the most significant factor in Canadian banking is a rising trend of commercial borrowing. True, there was a let down, seasonal in character, in the late months of 1936; but the gains registered last fall were the greatest in a number of years. Bankers generally are taking the most optimistic view since the advent of depression. Typical is the assertion of H. F. Patterson, general manager of the Bank of Nova Scotia, who told shareholders, "It is probable that the recession in current loans has now practically come to an end. If the upward trend of business is maintained, there is good reason to anticipate a modest expansion over the next 12 months."

As indicated in the accompanying table, net earnings of the individual banks registered gains ranging from less than $2,000 to more than $350,000. In the latter instance, however, that of the Bank of Toronto, it was specifically mentioned in the annual statement that a considerable portion of earnings arose from realization of loans previously considered bad or doubtful.

Taxes Slightly Lower

Although the actual total of Dominion and provincial taxes paid by the banks is carried at a figure considerably higher than in 1935 it is likely that the amount actually paid was somewhat less. The apparent paradox arises from a $224,000 increase shown in the accounts of the Canadian Bank of Commerce. It is explained that the 1936 figure represents the amount actually paid in taxes. In previous years it had been customary to set aside a definite sum as a reserve out of which taxes would be paid.

In connection with taxes paid by the banks, however, it should be kept in mind that the published figures tell but half the story. Municipal taxes are deducted before a net earnings figure is arrived at. Generally speaking, these taxes are about equivalent to the sum contributed to the coffers of the Dominion and Provincial Governments. In other words, the banks pay just about twice the amount of taxes shown in their financial statements.

Several of the banks made larger appropriations to pension fund last year. These pension plans are on a contributory basis and in several instances the employees were also asked to contribute a larger amount in 1936. In part, the explanation may lie in the declining yield on prime securities. Investments in the funds are for the most part restricted to trustee securities. Consequently, it has become necessary to increase the annual appropriations to offset the lower interest yield.

Dividends paid in 1936 were identical with those of the previous year. As a consequence, surplus on the year's operations was greater than in 1935 in all but two instances. And in those two increased provision for premises caused the reduction. The Bank of Montreal wrote off $200,000 in 1936, against none in the previous year. while the Banque Canadienne Nationale increased its appropriation from $30,000 to $40,000

Comparative figures on operating results are as follows:

EARNINGS STATEMENTS OF CANADIAN CHARTERED BANKS

	*Net Earnings		Dom. & Prov. Taxes		Pension Fund		Net Profit		Dividends	
	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935
	$	$	$	$	$	$	$	$	$	$
Royal	4,503,218	4,340,522	998,976	1,037,772	200,000	200,000	3,304,242	3,102,750	2,800,000	2,800,000
Montreal	4,173,146	4,007,302	991,645	1,002,090	•	•	3,181,501	3,005,212	2,880,000	2,880,000
Commerce	3,733,043	3,389,032	823,919	600,000	259,003	252,621	2,650,121	2,536,411	2,400,000	2,400,000
Nova Scotia	2,400,954	2,334,637	474,268	500,462	145,000	115,000	1,781,686	1,719,175	1,440,000	1,440,000
Toronto	1,473,647	1,119,135	251,836	232,743	80,000	80,000	1,141,811	806,392	600,000	600,000
Imperial	1,331,287	1,299,698	285,974	290,731	82,500	47,500	962,813	961,467	700,000	700,000
Dominion	1,153,527	1,130,053	202,249	228,497	75,000	75,000	876,278	826,556	700,000	700,000
Nationale	962,247	915,790	194,311	167,000	40,000	30,000	727,936	718,790	560,000	560,000
Provincial	402,678	400,843	98,325	99,000	•	•	304,353	301,843	240,000	240,000
Total	20,133,747	18,937,002	4,321,503	4,158,295	881,503	800,121	14,930,741	13,978,596	12,320,000	12,320,000

	Written Off Premises		Surp for Year		Surplus Forward		Profits per share		Dividends per share	
	1936	1935	1936	1935	1936	1935	1936	1935	1936	1935
	$	$	$	$	$	$	$	$	$	$
Royal	200,000	200,000	304,242	102,750	1,913,797	1,609,555	9.44	8.87	8.00	8.00
Montreal	200,000	......	101,502	125,212	■1,036,535	1,935,033	8.84	8.35	8.00	8.00
Commerce	200,000	150,000	50,121	°13,589	715,516	665,395	8.83	8.45	8.00	8.00
Nova Scotia	250,000	250,000	91,686	29,175	803,316	711,630	14.85	14.33	12.00	12.00
Toronto	100,000	100,000	441,811	106,392	1,285,376	843,565	19.03	13.44	10.00	10.00
Imperial	250,000	250,000	12,813	11,467	620,055	607,242	13.75	13.73	10.00	10.00
Dominion	100,000	75,000	76,278	51,556	668,977	592,699	12.52	11.81	10.00	10.00
Nationale	40,000	30,000	‡2,936	‡3,790	230,796	227,860	10.40	10.27	8.00	8.00
Provincial	40,000	40,000	24,853	21,843	▲231,937	▲257,584	7.61	7.55	6.00	6.00
Total	1,380,000	1,095,000	1,105,742	438,596	7,506,305	7,450,533	10.37	9.71	8.56	8.56

* After appropriations to contingent reserves out of which provision has been made for bad and doubtful debts.

° Deficit. ‡ After payment of $125,000 to the Province of Quebec.

▲ After $50,000 appropriated to contingencies reserve. • No mention is made of appropriation for pension fund, this probably being deducted before arriving at net earnings. ■ After transfer of $1,000,000 to reserve fund.

Bank of Canada Weekly Statement

Feature of the Bank of Canada statement for the week ended Feb. 3 is an advance of $11.5 millions in deposits of the Dominion Government. Compensating changes in assets comprise mainly an increase of $5.7 millions in security holdings and of $4.6 millions in "all other assets." Note circulation continued its downward trend, declining $3 millions during the week to $122.1 millions.

Balance Sheet

	Feb. 3	Jan. 27
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	122,091,625	125,115,576
Rest fund	743,716	743,716
Dep.: Dominion	36,481,616	24,959,013
Banks	194,287,808	194,287,030
Other	820,704	1,534,804
Total deposits	231,590,128	220,780,847
All other liabs.	2,039,462	670,604
Total liabs.	366,564,931	357,410,743
Assets		
Reserve: Gold	179,459,203	179,529,841
Silver bullion	2,244,492	2,244,492
Res. in sterling and U. S.	13,562,445	13,689,302
Total reserve	195,266,140	195,463,608
Subsidiary coin	197,108	190,706
Investments:		
Dom. Govt. short	61,116,661	61,091,244
Other Dom. Govt.	103,289,651	97,537,218
Total invest.	164,406,312	158,628,462
Premises	351,542	348,092
All other assets	6,343,828	2,779,875
Total assets	366,564,931	357,410,743
Reserve ratio	55.20%	56.50%

Regent Knitting Mills New Issue Is Approved

From Our Own Correspondent

MONTREAL. — Shareholders of Regent Knitting Mills have approved the special by-law authorizing the creation of an issue of bonds not exceeding $525,000.

The new bonds, carrying a lower rate of interest, were recently put on the market by L. G. Beaubien & Co. and Ernest Savard Ltée.

Savings Bank Earnings Rise

Montreal City & District Shows Strong Liquid Position

Net profits of the Montreal City and District Savings Bank in the financial year ended Dec. 31. 1936. amounted to $380,716, an even $8,000 above the previous year. Feature of the profit and loss account was a transfer of $250,000 to reserve fund, bringing the total to $2,750,000. After this appropriation, surplus forward is carried at $194,336, compared with $350,120 in 1935.

Total assets increased during the year by $3.1 millions to $64.1 millions, with most of the advance in Government and public utility securities and cash. A very high degree of liquidity continues to feature the bank's balance sheet, readily realizable assets amounting to 106% of all liabilities to the public.

Comparative figures shown in the bank's statement are as follows:

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net profit	380,716	372,716
Less: Dividends	240,000	240,000
Bonus	40,000	40,000
Surplus for year	100,716	92,716
Add: Prev. surplus	350,120	264,654
Less: Reserve fund	250,000	.....
Donation*	6,500	7,250
Balance forward	194,336	350,120

* In addition to which the bank distributes $10,150 annually, this representing interest from the charity donation fund.

General Statement
As at Dec. 31

	1936	1935
Assets	$	$
Cash	7,791,307	6,891,243
Dom. & prov. govt. secs.	29,392,585	27,152,487
Munic. bonds	16,589,974	18,828,391
Munic. school bonds	43,507	46,300
Pub. utility bonds	3,864,311	2,028,533
Sundry securities	200,000	200,000
Call & short loans	4,817,859	4,439,157
Charity don. fund	180,000	180,000
Bank premises	1,170,000	1,170,000
Other assets	20,333	26,677
Total	64,069,877	60,962,788
Liabilities		
To the Public		
Savings deposits	57,389,240	54,648,483
Demand deposits	419,767	272,916
Charity don. fund	180,000	180,000
Other liabilities	1,136,534	1,011,269
	59,125,541	56,112,668
To the Shareholders		
Capital stock	2,000,000	2,000,000
Reserve fund	2,750,000	2,500,000
Surplus	194,336	350,120
	4,944,336	4,850,120
	64,069,877	60,962,788

Staff Changes

The Canadian Bank of Commerce has announced the following appointments:

A. K. HARVIE, formerly manager at Halifax, to be supervisor of the foreign department at head office.

G. A. TAYLOR, formerly manager at St. John's, Nfld., to be manager at Halifax.

A. H. WATERMAN, formerly manager at Adelaide and Yonge, Toronto, to be manager at St. John's, Nfld.

B S. DEACON, formerly manager at Summerside, P.E.I., to be manager at Adelaide and Yonge, Toronto.

The Royal Bank has made the following staff changes:

C. R ROSS, formerly manager at Sault Ste. Marie. to be manager at Sudbury.

J. J. W. BRIDGES, formerly of the supervisor's department, Vancouver, to be accountant at East End, Vancouver.

R. H. BOUCHER, to be assistant manager at Quebec, Que.

L. J. A. HEBERT, formerly at head office, to be accountant at Quebec, Que.

The Bank of Toronto has made the following appointments:

H. W. THOMPSON, formerly manager at Chaplin Sask., to be manager at Mazenod, Sask.

M. E. KERR, formerly manager at Mazenod, Sask., to western department at Winnipeg.

The Bank of Montreal has made the following appointment:

W. B. E. READE, formerly manager at Port Hope, Ont., to be manager at Oakville Ont.

Bell Telephone Issues Shares to Employees

From Our Own Correspondent

MONTREAL.—Bell Telephone Co issued 423 shares of capital stock during Jan., 1937, for purpose of the employees' stock plan. This brings the number of outstanding shares up to 786,132.

Weekly Bank Clearings

	Feb. 4 1937	Change year ago	Jan. 28 1937
	$	%	$
Halifax	2,270,926	— 0.8	2,042,825
Saint John	2,040,811	+ 5.1	1,664,922
Moncton	768,955	+27.1	638,896
Quebec	5,287,435	+ 7.9	4,270,438
Montreal	130,611,646	+ 4.2	106,513,825
Ottawa	24,357,837	—15.1	13,205,501
Kingston	610,614	+ 4.5	417,361
Peterborough	519,015	—21.5	517,473
Toronto	168,964,534	+ 7.3	128,725,077
Hamilton	6,559,543	+14.2	4,662,358
Kitchener	1,203,164	+ 9.5	881,677
Brantford	1,048,439	+14.9	786,907
London	3,685,832	+ 9.7	2,349,078
Chatham	563,377	+15.8	485,072
Windsor	3,451,194	+27.9	3,150,055
Sarnia	436,695	— 8.2	445,110
Sudbury	935,958	+25.5	958,070
Fort William	943,340	+ 5.4	661,705
Winnipeg	44,089,073	— 6.1	29,975,850
Brandon	304,254	+ 5.4	220,770
Regina	3,132,015	— 4.8	2,518,056
Moose Jaw	501,436	—12.7	472,044
Saskatoon	1,304,513	—14.1	1,133,660
Prince Albert	327,313	—15.9	247,349
Edmonton	3,914,582	+ 4.8	3,338,888
Calgary	5,922,179	+ 8.1	5,734,320
Lethbridge	368,661	—24.2	282,285
Vancouver	23,359,885	+ 7.0	17,224,791
Victoria	1,880,433	— 3.3	1,572,480

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IMPERIAL BANK OF CANADA
HEAD OFFICE - TORONTO
BRANCHES THROUGHOUT CANADA

The
British Mortgage & Trust Corporation of Ontario
Founded in 1877 Stratford, Ont.

Balance Sheet, December 31st, 1936

ASSETS

CAPITAL ACCOUNT:			
Office premises		$ 64,000.00	
Furniture and fixtures		16,000.00	
			$ 80,000.00
Real Estate for sale			541,068.57
Mortgages on real estate in possession or control of Mortgagee: Principal			$ 650,159.97
Mortgages and Agreements for Sale:			
Principal		214,975.29	
Principal assigned for loans	$160,632.37		
Less loans on same	92,987.60		
		$67,644.77	
Interest due and accrued		19,563.82	
			$ 302,183.88
BONDS AND DEBENTURES:			
Canadian Municipal Bonds:			
Principal		$31,957.48	
Interest due and accrued		73.00	
			$ 32,030.48
Other bonds			30,144.02
Stocks owned		166,060.09	
Dividends accrued		1,207.00	
			$ 167,267.09
Cash on hand and in Bank			73,132.99
Advances to Estates			26,538.96
TOTAL CAPITAL ASSETS			$1,902,525.96
GUARANTEED TRUST ACCOUNT:			
Mortgages:			
Principal	$3,958,542.23		
Interest due and accrued	132,107.48		
		$4,090,649.71	
BONDS AND DEBENTURES:			
Government Bonds.			
Principal	560,164.89		
Interest due and accrued	4,361.00		
		$ 564,525.89	
Government Guaranteed Bonds:			
Principal	98,456.10		
Interest due and accrued	1,075.00		
		$ 99,531.10	
Canadian Municipal bonds:			
Principal	245,550.83		
Interest due and accrued	2,884.00		
		$ 248,434.83	
Stocks owned	272,229.67		
Dividends accrued	1,804.00		
		$ 274,033.67	
Cash on hand and in bank	$	60,032.77	
TOTAL GUARANTEED TRUST ASSETS			$5,337,207.97
ESTATES DEPARTMENT:			
Estates, Trusts and Agency Funds			$ 784,635.97
			$8,024,369.90

LIABILITIES

CAPITAL ACCOUNT:		
Capital Stock fully paid up		$1,000,000.00
General Reserve Fund		700,000.00
General Investment Reserve		125,000.00
Reserve for Taxes		10,485.48
Profit and loss credit balance		26,799.73
Dividends payable 2 January, 1937		40,000.00
All other liabilities		240.75
Total Capital Liabilities		$1,902,525.96
GUARANTEED TRUST ACCOUNT:		
Guaranteed Investment Receipts:		
Principal	$3,297,832.57	
Interest due and accrued	39,274.07	
		$3,337,106.64
Trust Deposits:		
Principal and Interest		$2,000,101.33
TOTAL GUARANTEED TRUST LIABILITIES		$5,337,207.97
ESTATES DEPARTMENT:		
Estates, Trusts and Agency Funds		$ 784,635.97
		$8,024,369.90

REVENUE ACCOUNT FOR 1936

Balance brought forward from 1935	$ 22,593.36
Net earnings on 1936 business	91,706.37
	$114,299.73
Of which the following distribution has been made:	
Reserve for taxes	$ 7,500.00
Half-yearly dividends Nos. 116 & 117 at the rate of 8% per annum.	$ 80,000.00
Balance carried forward to 1937	26,799.73
	$ 114,299.73

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Market Data of Economic Areas and of 440 Cities and Towns of Canada
Capital Movements in 1936
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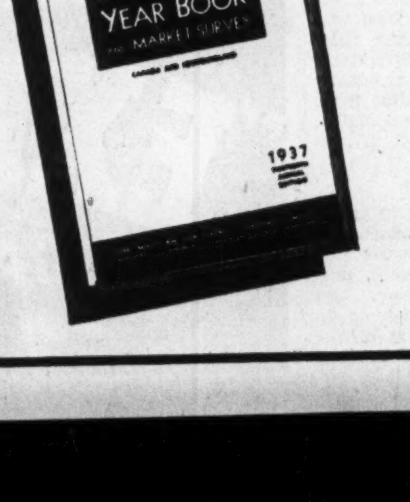

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In The Construction World

A MODERN moderate sized urban house easily rented for $60 per month in 1927. Exactly the same quality of residence today can be obtained for $45. Yet taxes are higher than they were 10 years ago. In other words city property while suffering a decline of from 15 to 30% in rental value, gets no relief whatever in taxation levies. A decade ago three of every 12 months rents were paid directly into the city treasury. Today at least four months rents are so absorbed.

Arguing in favor of the present system of real estate taxation F. H. Bell, former city solicitor of Halifax, states that because city expenditures are almost wholly uncontrollable municipal authorities must be able to reckon their income exactly in advance. And because real property "cannot run away" it makes an ideal vehicle for bringing in this revenue.

But many municipalities have forgotten that the landlord or other property owner must also calculate his income in advance. If he is unable to do this with any reasonable certainty then he is not going to be interested in further real estate investments. Uncontrollable taxes, bearing no normal relationship to rent levels have made such calculations utterly impossible and scared capital away from this former major field of conservative investment.

• • •

Canadian Lumbermen Predict Bright Future

SATISFACTION with the present situation and optimism concerning the future, summarized the addresses heard at the recent convention of the Canadian Lumbermen's Association at Montreal recently. Increased use of lumber through anticipated steady recovery in Canadian construction was predicted. N. S. Blair, president of the Association stated:

> "The domestic market is improved and is continuing to show increasing improvement. Returning confidence bringing with it increased consumption due to replacements and expenditures for new construction, has made a great difference in the picture now before us compared with 1931-1932. It is pleasant to contemplate that the almost forgotten word 'prosperity' may come into use once more."

• • •

Brick Claimed Still Dominant

BRICK continues to be the predominating building material in the larger United States cities according to speakers at the recent convention of the Brick Manufacturers' Association in Richmond, Virginia. Barges carrying this material are again beginning to make their appearance in large numbers coming down the Hudson River. Exultantly predicting a continuous comeback one delegate summarized the present position as follows:

> "We were 'buried' 50 times during the slump. The most persistent undertakers were the dreamy gentlemen who busied themselves with plans for revolutionizing the 'old-fashioned' building industry. They experimented with almost everything from metals to chewing gum. Bricks to them were hopelessly passé. They haven't changed people's tastes though there has been improvement in construction methods. A recent survey in upstate New York showed a great many prospects prefer brick dwellings although they still may build something cheaper. The runner-up is stone."

However, United States brick manufacturers are taking no chances on their product selling itself. Many promotional campaigns are planned. These will stress new building methods for incorporating brick and will include also free and lavish distribution of model house plans.

HEADS LUMBERMEN

N. F. Blair, of Quebec City, who has been re-elected president of the Canadian Lumbermen's Association.

Will Spend Over $25 Millions On Home Repairs This Spring

Private Financing Expected to Equal Total in Home Improvement Plan Loans — Much for Plumbing and Heating

Canadians are expected to spend over $25 millions on home repairs and improvements in the next four months. While labor should reap the biggest benefit from this new business, construction, equipment and building material companies will participate directly as will also manufacturers and distributors of house furnishings.

The first three months results with the Canadian Home Improvement Plan indicates clearly that the experience of the United States Government with a similar but much earlier scheme is being repeated here. The same difficulties have been encountered and settled in almost an identical manner. In United States as in Canada there was some hesitancy on the part of the banks but this gradually disappeared as confidence was developed. In both cases the bulk of the loans made are for amounts of well under $400.

In view of the similarity it would seem almost certain that the United States spring results in 1936 with home improvement loans should be repeated here in 1937 after making allowance, of course, for the difference in population.

Total home improvement loans by the Washington authorities in March, April, May and June of last year were practically $100 millions. The biggest single month, incidentally, was April when some $39 millions was borrowed for home renovation. On this basis, Canada with but a tenth of the population of the United States should witness some $10 millions borrowed from the banks between March 1 and June 30. But because general recovery in Canada is now farther advanced than it was a year ago in United States, more than 10% of the U. S. loan total is possible.

Private Financing

Actual loans under both Government schemes, do not tell half of the story. No matter how much one may talk of rugged individualism, the average man or woman is largely influenced by example. If one owner paints his home, or adds a new verandah or sleeping porch or modernizes his kitchen, some of his friends invariably do the same.

Visitors drop in for a game of bridge or a chat and the new work is paraded before them. These visitors immediately begin to plan how these improvements would look in their home.

Some of the new converts will go to the bank or a contractor and arrange for a modernization loan, but just as many will finance the improvements themselves.

In United States it has been estimated that private financing of home improvements has greatly exceeded that financed through the low cost Government-backed loans. And so in addition to borrowing $10 millions under the Home Improvement Plan, Canadians may be expected to spend at least a similar amount out of their own pockets.

Much for Furnishings

But again this is only part of the story. Anyone who has had any actual experience with even the most minor home improvements knows that the bill for new painting, or wallpapering to going to be only from half to three-quarters of the total. The new paper makes the rest of the room look dingy and so there must be new curtains, blinds, rugs, electric fixtures or possibly new furniture. One dollar spent on any structural change almost invariably means another dollar on something else to go with the change.

But most of these additional items, being detachable, are not included in the list of things eligible under the Home Improvement Plan loans and therefore they will have to be financed in other ways. But they will be financed. Thus a total expenditure of at least $25 millions is in prospect.

PROSPECTIVE EXPENDITURES ON HOME IMPROVEMENT
March 1—June 30, 1937

H. I. P. loans	$10,000,000
Privately financed	10,000,000
Home furnishings‡	5,000,000
Total	$25,000,000

‡Detachable and therefore not eligible for loans under Home Improvement Plan.

How Will it be Spent?

And what trades and materials are going to share in this $25 millions plum? Preliminary Canadian calculations based on two months figures agree with United States 2½-year experience, that the plumbers are going to get the largest slice. Much has been heard of modernizing kitchens, bathrooms and heating equipment, in the last few years but only a little about the rest of the house. And when one decides to attack any or all of the three projects mentioned the first move will be to get in touch with a plumbing and steamfitting contractor.

In United States plumbing and heating labor and materials absorbed almost a third of the money spent on modernization. Other equipment and materials such as eavestrough, glass, insulation, barn equipment and some items not included in the present Canadian scheme amounted to over 20%. Other branches to share fairly equally were roofing, carpentry, masonry and decorating. Incidentally in the latter fields this is the first time that installment buying has been developed on any considerable scale.

The following table is based on the actual break-down of U. S. home improvement loans:

TYPE OF WORK

	Loans Number %	Loans Amount %
Plumbing, heating	23.3	31.4
Machinery, equipment	25.5	22.6
Carpentry, masonry	17.0	16.3
Roofing	12.4	12.8
Paint. & other decorat.	15.5	10.7
Misc. (elec. wiring, landscaping, weather stripping, etc.)	6.3	6.2
Total	100.0	100.0

New Building

Work will be started soon on a new two-story building at the Lethbridge, Alta., airport. The building will accommodate staff for radio, meteorological and airways service in connection with the Trans-Canada airways plan.

A syndicate formed for the purpose of developing beet sugar in Manitoba is negotiating for a site for a beet sugar plant at St. Boniface to cost $2 millions, according to the Winnipeg Free Press.

Tenders have been called for construction of the first stage of an apartment block at Westmount, Que. The cost is estimated at $2,250,000.

Erie Grain Corp. will erect a new elevator and corn drier at Chatham, Ont., at a cost of $21,000. One third of this cost will be paid by the Dominion Government.

W. H. Benson, president of **Benson Canning Co.** is reported to be planning a new canning factory at Cherry Valley near Picton, Ont. According to the Picton Gazette work will be started on the new building in the spring.

Defends Present System Of Real Estate Taxation

Editor, The Financial Post:

There is evidently on foot an agitation for the transfer of a large share of the municipal taxation now borne by real property to some other form of property or occupation. It is an ancient battle and the tactics have always been the same. The fact that theirs is the hand by which taxes on land are paid into the city treasury, and also that the average man seems incapable of recognizing any economic truth not directly in front of his nose, enable owners of real estate to contend that they bear a most undue share of municipal burdens. The article by Mr. Frost in your issue of Jan. 23, is an excellent example of their argument.

Mr. Frost illustrates what he evidently considers the great injustice suffered at present by owners of real estate, by comparing two residents of Lindsay, one of whom invests $20,000 in real estate in the city, and he invests an equal amount in some other form of investment. The former, according to Mr. Frost, contributes $900 yearly to the exchequer of the city—the latter not one cent. One must wonder if this is a true picture why anyone should invest in real estate in Lindsay or in any other municipality, yet they do. And, of course, the obvious explanation is that the owner of real estate, except in so far as he is himself an occupier, merely collects the city's taxes as part of his rents, which he fixes at a rate high enough to cover taxes, insurance, repairs and a reasonable return on the investment. The man who does not invest in real estate nevertheless, if he occupies a house, pays in the same way as if he owned it—only he pays through the hands of his landlord.

Present Conditions Temporary

No doubt Mr. Frost will say that unfortunately the owner of real estate cannot obtain through his rents a return of his taxes and other charges and also a fair return on his investment. That, I dare say, is quite true today of a good many municipalities. But that it is a temporary condition is manifest from the facts that though for many years the great bulk of municipal taxation has been imposed on real estate, and that the rate of taxation has steadily increased, building has gone steadily on and real estate steadily increased in value.

Of course the return from real property, as from every other description of property, fluctuates from time to time and place to place, though to a smaller extent and more slowly than from almost any other description of property. But speaking generally I am convinced that real property as a rule yields a steady and adequate return, and that the amount of taxation imposed upon it is immaterial because it is as a rule passed on to the community. If that taxation is excessive the community as a whole suffers, but not the owner of real estate more than others.

I speak from experience. I was, as city solicitor of Halifax, N.S., for nearly 30 years, chairman of the Court of Appeals from Valuations for taxation made by the assessor. The court dealt on an average with 75 to 100 appeals yearly. They included property of every description, real property only, as in Halifax we have no city taxation on either income or personal property. Both the total amount of our taxation and the rate have mounted steadily. But our experience was:

(a) That every increase in taxation was followed by an increase, generally of a greater amount, in rent, and

(b) Generally speaking the gross return for rented property particularly houses, averaged 11% or 12% yearly, which after deducting taxes, insurance, repairs, etc., left the owner a net of 7% or 8%.

It was not infrequently more. We had cases in which a shrewd buyer, picking up bargains in small well-located houses, preferably two-flat apartments, securing good tenants, and keeping them by moderate rents, good repairs and fair treatment, was able to obtain a gross return on his investment of more than 20%. Out of this he was able to pay the installments on the 11-year installment mortgages by which he usually financed his purchases, his taxes, insurance and repairs, have a substantial yearly margin for himself, and the property clear in 11 years.

It is not necessary to be an out-and-out "single taxer," demanding the confiscation for the state of all the revenue and "unearned increment" of real property, to be nevertheless convinced that civic taxation should be based almost entirely on real property. There are many reasons for so holding. But three paramount ones should be sufficient to convince any man open to conviction.

City Gives Value

First—Urban real property is the only kind of property which derives its value solely from the city. Agricultural land is different, it is an instrument of production. But urban realty owes its values solely to the fact that it is part of the area of the city, and can be used for purposes of business or habitation. Income follows the individual. The difference in the value of personal property in one location or another is, roundly speaking, merely the cost of transport. But the value of urban land began with the city and would end with it.

If it were possible to pick up a city, its buildings, its streets and sewers and improvements, and transfer it bodily to some spot of unoccupied land it would take the value of its land along with it. Everything that adds to the attractiveness of a city, whether for business or residence, adds to the value of its real estate.

Mr. Frost speaks of some civic services being of no value to real estate, and mentions education as one. I cannot conceive of one more beneficial to it. Who would, if he could help it, live in a city where his children could not be decently educated? When a city taxes land it only takes back a part of what it has itself created. With few exceptions, that are mostly exceptions in appearances only, that is true of no other form of civic taxation. Mr. Frost says we are guilty of stupidity of defeating the development of real estate value by throwing on realty the bulk of our civic taxation and permitting other possible sources of taxation to escape. To me it appears the stupidity is in the owners of real property not realizing that their property is in itself an inert valueless thing, and that it is only by encouraging persons and property to make use of it that it can acquire any value.

Everyone Pays

Second—No other form of taxation approaches taxation on real estate in its ability to diffuse itself over the whole community. If, in the illustration already quoted from Mr. Frost, one of the investors was not himself the occupant of a house in Lindsay but occupied a room in a lodging house and took his meals in a restaurant he would not escape taxes. His would not be the hand that paid them to the city, but from whom would the keepers of the lodging house and the restaurant obtain the money wherewith to pay their taxes but from their customers?

It is so with very other expenditure made in the city. It is impossible to spend a dollar in the city without, sooner or later, it may be through many hands, some fraction of it finding its way to the civic treasury. Of no other form of taxation is that even approximately true. It is curious that everyone realizes this diffusion of the incidence of other forms of taxation—notably of Custom and Excise duties, and yet fails to realize it in the form of taxes on real property.

Permits Budgeting

Third—Finally, a reason of practical rather than theoretical consideration, but nevertheless of enormous importance. No other system enables a city to properly budget its expenditures. Any properly managed city should so provide for these that there should be little room for either surplus or deficit. The expenditures of a city are almost wholly uncontrollable, and can be estimated with great exactness in advance. The sources from which the revenue to meet them is to be obtained by taxation should be equally exact. Both the total amount required and the amount to be contributed by each taxpayer should be defined as exactly as possible. Further there should be as little room as possible for failure to collect the estimated amounts. With no system is this even approximately possible except by taxation on real property. It varies little in value, it cannot run away. It is immaterial whether the owner at the time of assessment continues to own it or not. The tax lien attaches and the property remains liable. Every other source of taxation is liable to such uncertainty both as to the amount collectible and possibility of collection as to render proper budgeting and accounting impossible.

Not System at Fault

I must not be understood as underating the burden of present taxation on the owners of real property. As that burden falls primarily on them, and as it is their property which is held responsible for payment of the taxes, they have a real grievance. But the root of the trouble is not the tax system but the excessive amount of municipal taxation. Whatever mode of assessment and taxation is adopted there is only one source of taxation—the income of the community. When the taxes claim too great a proportion of that they will not, cannot, be paid, no matter what the system is. Shifting them from real estate to other sources of taxation may appear to lessen the burden on real estate, but eventually it can only work to its detriment by discouraging the only things that make their property valuable.

F. H. BELL.

Halifax, N.S.

Costs Rising For Building

Hardware and Other Construction Supplies Higher for 1937

Indications are not lacking that Canadian building costs which rose about 8% in 1936, will continue to climb in the current year. Lumber, one of the basic raw materials, moved up sharply early last year and steel in December. Labor costs increased about the middle of 1936 following the gradual adoption of higher wage agreements in different areas. Now the advance is continuing into the more finished products used in the construction industry, with recent price increases in most lines of builders' hardware.

Hardware Up

During the last two weeks, states Hardware and Metal, Toronto, the price of a number of sheet metal products has advanced. Stove pipes and elbows, for immediate and fall booking business, are higher. Galvanized wares of all kinds, and flat black sheet prices have also moved up.

Manufacturers of cast iron boilers and heat radiation equipment have issued new and higher price lists. Warm air and air-conditioning registers, of the floor and baseboard types, galvanized range boilers in all sizes, and pipe fittings are all up.

Shoe Company Purchase

The Wragge Shoe Co., of Galt, Ont., has been purchased by Laurence M. Savage, president of Parker Steel Shoes Ltd. and Hurlbut Shoes Ltd., of Preston, Ont. The Galt company will be known as Savage Shoes Ltd. and may later be merged with Hurlbut Shoes Ltd.

Union Gas Declares 12½-cent Dividend

Union Gas Co. of Canada has announced the declaration of a common stock dividend of 12½ cents a share payable March 15 to shareholders of record Feb. 20. This is the same rate as paid in the previous quarter and brings total dividends for the current fiscal year, which ends March 31, to 47½ cents a share. In the year ended March 31, 1936, no dividends were paid.

New Industry

A new firm, the British Iron & Metal Co., has opened operations in Saint John, N.B., for the purpose of assembling scrap iron, steel and metals for export to the British market.

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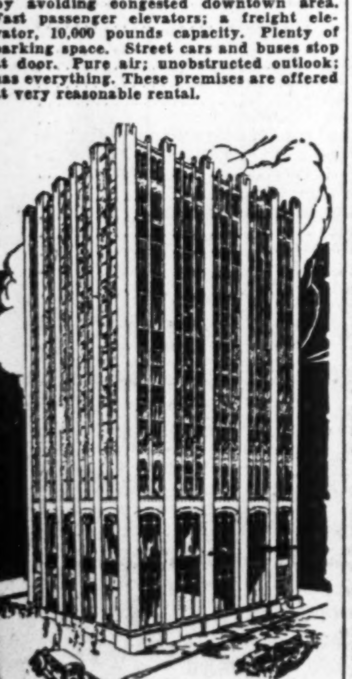

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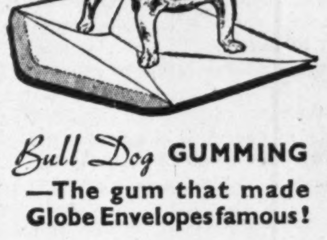

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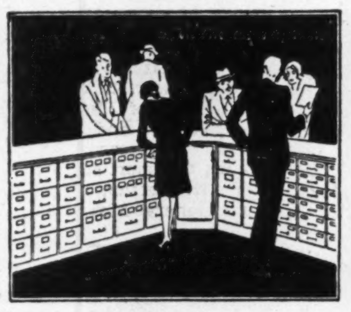

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Sit-down Strike, Labor's Newest Technique

Minorities Armed With New Weapon Can Flout State

Grim Battle for Power in Michigan Sounds Warning to Industry in U. S. and Canada — Tense Scene Described

BAYONETS AND MACHINE-GUNS

By **THOMAS C. THOMPSON**

Could it happen in Canada?

Wise-cracking comedians joke lightly about "sit down" strikes; "experts" who have never seen one dismiss this newest and most potent form of industrial warfare with a gesture of impatience and the query, "Why don't they arrest them?" The answer is that a "sit down" strike with all its sinister implications must be seen to be believed.

Grim faces of nearly 1,000 striking automobile workers peer from the windows of two "key" plants of the largest automobile company in America.

Curiously, they watch as two civilians walk through the No Man's Land of a street that is silent and empty except for the machine-gun posts and steel-helmeted sentry groups huddled around wood-burning braziers. The greatcoat collars of the sentries are turned up against a biting wind; their bayonets glitter on Springfield rifles slung from the shoulder.

It is the firing line of the "sit down" strike in Flint, Michigan.

Between the machine-gun posts and the covering snouts of one-pounder cannon mounted on mobile equipment at each end of the street, the two civilians are halted at intervals of about 50 feet and required to show their military passes. As representatives of The Financial Post and an American newspaper, they are allowed to proceed. The watching strikers, motionless behind the windows 20 feet away, speculate on their identity. The sentries of the National Guard make no comment. But the silence is deathly and an atmosphere of electric tension hangs over the still scene where a month or two ago the whirr of machinery filled the air.

The machinery, too, is silent; broken windows and the torn coping of factory buildings lying in the street tell the story of rioting that police were unable to subdue. The wreckage of an automobile lies in the gutter, and the carrier lines leading into the factories are motionless. Crankshafts and engine blocks, discolored by weather, hang from the chains, stopped when the carrier unloading lines were halted in the opening moments of the struggle.

The seized buildings are held by "sit down" strikers. The guardsmen await the next move. If it is peaceful surrender it means an end of the strike and the departure of the strikers. If it is a telephone message to evict the strikers it means mass murder. And no one in that silent street has the slightest idea of which course events will take.

Everyone in the street and behind the windows is alert to the possibilities of an explosion. For days the expected telephone message from the state governor authorizing the county sheriff to call on the National Guard to enforce eviction injunction orders, has been awaited. For days the governor has refused to take the step that would mean massacre of the strikers, and, weary of the tension, strikers and National Guardsmen alike have become reconciled to any eventuality. In the street and on the roofs of near-by factory plants, rifles, Browning machine-guns and light cannon stand ready, trained on strategic points of the seized buildings. Every sentry has a loaded revolver, a full magazine in his rifle and 60 extra rounds of ammunition.

Fears of Bloodshed

These are the weapons to enforce a legal order of the court to evict "sit down" strikers holding the plants. In spite of their home-made blackjacks the strikers haven't a chance in a million of emerging alive from a fight in the street or at the entrances to the plants. They know it. The guardsmen know it. And the state governor knows it. The only hope for a peaceful exit is the surrender of the buildings, a course the strikers are firmly resolved to avoid and which the guardsmen are just as firmly resolved to accomplish once the order to evict is issued by their commander. Meanwhile, 60 miles away in Detroit, the strategic battle is being fought in a conference room, between heads of the striking union, officials and representatives of the automobile company.

But on the firing line, one man with a jittery trigger finger could precipitate disaster and massacre.

This is no fantasy, but the almost unbelievable scene presented in the tense moments of Flint's automobile strike. Far from the general conception of a "sit-down" strike as something good natured but illegal, it is a grim struggle for power fought in utter silence.

The new technique of the "sit down" strike may be seen again, for regardless of the outcome of the battle between the United Automobile Workers of America, led by John L. Lewis, and the management of General Motors Corporation, the "sit down" strike has proved too effective to be discarded in future industrial disputes.

It has not happened in Canada on a major scale yet, but an attempted "sit down" strike failed only a few weeks ago in Windsor, Ont. It was inspired by the same union that conducted the Flint strike, but it failed because instant action was taken and the movement nipped before it had a chance to get out of control.

Windsor Strike Squelched

Employees of a Windsor automobile parts manufacturing company declared a "sit down" strike by stopping their machines and sending a committee to the management to present the demands of the strikers. The latter remained in the plant, adopting the same tactics that employees striking in the parent company's plant in the U. S. had used only a few weeks earlier.

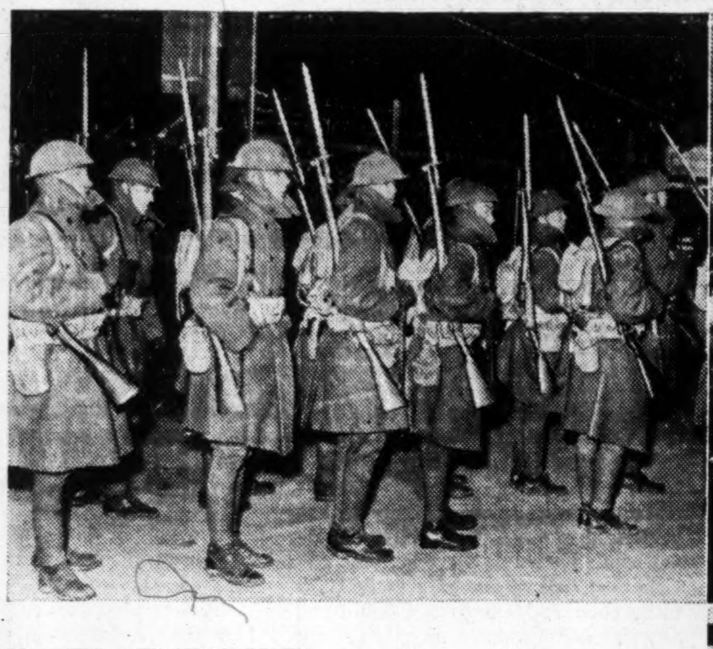
The parent concern, located in Detroit, was powerless because authorities hesitated to provoke violence by ejecting the "sit down" strikers. The same thing happened in Flint.

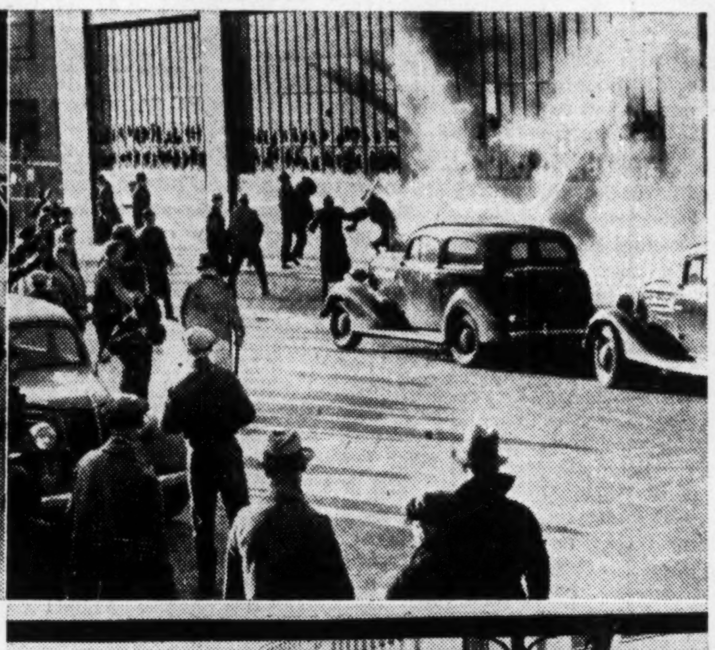
Not so Canadian authorities in Windsor. Although directed by the same union as that operating the Flint strike, the striking Windsor employees were ejected by police without incident in the opening hours of the strike. The next morning, union pickets were on hand and a dozen or so employees attempting to enter the plant in taxicabs were mobbed as strikebreakers. Again a call went out for police assistance and a riot squad responded. Heads were cracked and the Detroit organizer of the union was arrested on a charge of being a member of an unlawful assembly. The "sit down" strike was at an end, even though the dispute which started it was not.

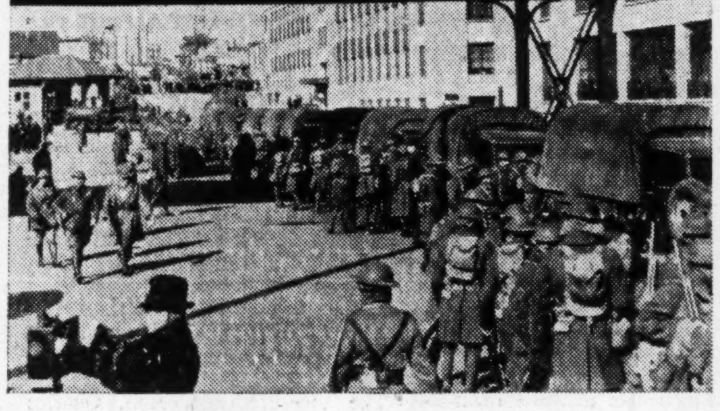
Why didn't that happen in Flint and at other U. S. plants where strikers seized control of their employers' buildings?

Flint is a city of about 160,000 population, almost entirely dependent for its well-being on the operations of General Motors Corp. About one fourth of its citizens are employed by General Motors but of these a mere 1,000 successfully seized the "key" plants of the company and effectively halted production of automobiles by the company.

In the plants where Fisher automobile bodies are made, and where all Chevrolet engines in the U. S. are manufactured, the "sit down" strikers waited for more than a month, their families and union sending them food through guard lines, while their leaders fought and argued to obtain their demands from the company.







IN THE "WAR ZONE"

Troops of the 126th Infantry, Michigan National Guard, march into the riot area at General Motors' Chevrolet plant with fixed bayonets and steel helmets after the failure of police to evict "sit down" strikers (upper left). Pistols and tear gas bombs, iron slugs, bricks and clubs were used freely in the riots that preceded the entry of military forces into the strike section of Flint. (Upper right) Picture shows some of the strike sympathizers and police engaged in a melee outside a General Motors plant when casualties were sustained by both sides. (Lower) Army trucks transport some of the 4,000 troops on duty in Flint to the heart of the riot section, a wide street passing between the "key" plants of the vast General Motors industrial section of Flint.

Effective Technique

The technique of this new form of industrial warfare is at first puzzling, and then crystal clear as its full effectiveness is seen in action. One moment the men are at work; the next they are literally sitting down—and they remain sitting down until their demands are met or until they are forcibly ejected.

No watchman can eject 1,000 or even 100 men after the five o'clock whistle blows. A dozen watchmen couldn't do it, and neither could the whole police force of Flint because the men were prepared to drop at their posts rather than submit to eviction. In turn, while they occupied the buildings, no strikebreaker had a ghost of a chance to enter the building to resume manufacturing operations.

In short, the "sit down strike" is a new and amazingly potent labor weapon once it is raised in dispute. The only direct method of combatting it is by force, which in turn means mass murder with machine guns and rifles against an aroused but practically unarmed mob.

But look once more at Flint, at a moment when that strife-torn city was at the critical period of the world's first major "sit down" strike.

In the schools, the county court house, the armories. and billeted elsewhere were 4,000 National Guardsmen, each carrying a loaded revolver at his belt and armed in addition with a rifle and bayonet. No one could move freely without a military pass—or for that matter without a pass from the strikers' union headquarters—and in effect the city was under armed military rule although martial law had not been declared. Army trucks lumbered through the streets and platoons marched to strategic points in the city to change guard and outposts. At the courthouse, armed guards patrolled the corridors. In the streets approaching the General Motors plants the sentry groups became more numerous. Why?

The First Skirmish

The sudden plunge of peace-loving, industrial Flint into the status of a war zone was not due to any American love of parades. It happened when the first effort was made to evict the strikers of John L. Lewis' United Automobile Workers, a union having membership in the Committee of Industrial Organization, also Lewis-led.

The union members seized the Chevrolet and Fisher body plants. Police were sent to the scene to be met with a volley of bricks and stone ripped from the coping of the Chevrolet plant and hurled down upon the 75 policemen assaulting the building. The police fired back through the windows and a dozen or so were wounded in the melee and sent to hospital. Unable to dislodge the hundreds of strikers, the police retired and left the men in control. About 600 or 700 citizens were subsequently enrolled as special police to be used only "if necessary," but meanwhile the military forces were called from billets and posted in the street to prevent ingress of strike sympathizers and to prevent further rioting.

The strikers still held the buildings which, in point of fact, was a victory for the union forces.

The wage question has not been among the major issues in the Flint strike, and the claims of General Motors that it pays high wages are borne out by the figures.

Instead, the Flint strike or any other of its kind that may be called in Canada or the United States has a deeper significance. It is the struggle between a union that claims to speak for the majority of employees in an industry and the employer who is convinced that the union voice is not that of the majority of the employees. That was the main issue that led to Flint's "sit down" strike in which 1,000 men were the spearhead claiming to represent a majority of the 44,000 employees in General Motors Flint plants. They demanded the right to be the sole voice—that of the United Automobile Workers — in collective bargaining with General Motors.

General Motors firmly refused the union the right to speak for General Motors employees, claiming that it did not represent the majority. The fact is that there were in Flint probably many employees of General Motors who were fearful of openly sympathizing with union demands because they believed that if the union were to be defeated in its fight for recognition their own jobs would be lost. Whether or not they and the active unionists represented the majority of General Motors employees is another matter, however.

Of the 50 newspaper correspondents in Flint, representing the leading newspapers of North America, not one would attempt an accurate estimate of the number of actual supporters of the strike and the Lewis union. It is almost impossible to estimate the true degree of support in such cases for reasons that are obvious, but the fact remains that 1,000 out of 44,000 employees were in control of the seized buildings. That spies were active in both camps is certain, and because organization work among all unions is more or less secret no accurate figure of union membership in the United Automobile Workers is obtainable.

A Legal Puzzle

While events passed their first crisis on the "firing line" of the Flint battle front a legal fight was in progress to check the "sit down" strike. The answer to a strike is normally a lock-out, but that measure is relegated to the past in the light of the new technique of "sit down" strikes.

With strikers in possession of their buildings, General Motors sought an injunction against picketing and to "restrain" the strikers from continuing to occupy the seized plants. If there was any charge against the strikers at that stage it was that they were trespassing, but since the whole scope of the strike brought new problems into focus, legal authorities were puzzled as to the exact course of procedure. An injunction was issued, however, and General Motors won the first round in the legal battle to oust the strikers.

The strikers won the next skirmish, voiding the injunction when it was revealed that the judge who granted it was himself a large holder of General Motors stock. As in Canada, no judge in the U. S. can act in a dispute in which he is an interested party.

A second injunction was granted, however, and the strikers were given 24 hours in which to vacate the plants. The strikers, now well organized, stayed, and became legally in contempt of court. It remained only for the sheriff to evict them. But how?

His own deputies were not a sufficiently powerful force for the task. Use of the special "reserve police" sworn in for the occasion was only inviting mob rule, it was felt by some authorities, and the only effective force available was the National Guard with its rifles and machine-guns.

Still nothing happened and action was delayed in an obvious effort to prevent further bloodshed while negotiations between leaders of the opposing factions continued in Detroit. All concerned were alive to the significance of the dispute in relation to its possible effect on other industries, and all were anxious to avoid violence. Both sides remained adamant on the larger issues, however.

Couldn't Happen Here?

To Judge Paul V. Gadola, who granted the second and effective eviction injunction, The Financial Post went for further light on a situation that appears fantastic to Canadian eyes. At his office in Flint, Judge Gadola explained he had no choice in granting the injunction. "When I issued it," he told The Financial Post, "I received a good many letters and telegrams of congratulation on the fact that I had not been afraid to do so. That is the most surprising feature of the thing to me, for it was not a question of whether or not I was afraid. It was the only legal thing I could do.

"This thing is new to us, too, and we are just finding out how to deal with it, but if I know anything about Canada, I'll bet it couldn't happen in your country," he remarked. "With the Canadians, things would happen so quickly that the whole matter would be finished before it got started."

It was a compliment to Canadian law enforcement and it was followed by a joking remark of the judge that The Financial Post might reserve a quiet spot in Canada for him, in case he had to leave Flint in a hurry.

From the office of the judge, who is a key figure in the legal aspects of this new form of strike, The Financial Post returned to newspaper headquarters and, accompanied by Leigh Plummer of the Wall Street Journal, went to strike headquarters, located in a third-rate hotel.

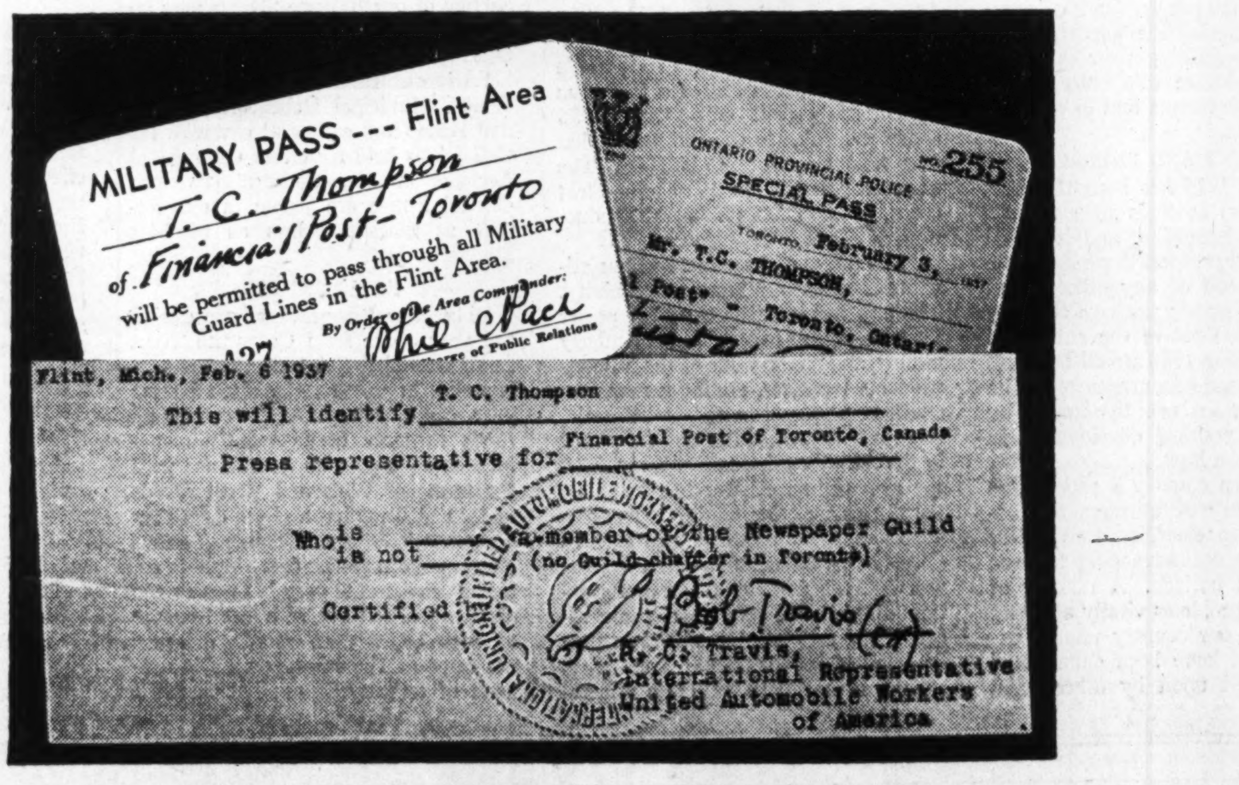
Financial Spies!

"The Financial Post" and "The Wall Street Journal" at strike headquarters created something of a mild sensation. The names were enough, and to the milling throngs of strike sympathizers in the strikers' headquarters the presence of the two "financial newspapermen" brought dark suspicions of "spies" and other less pleasant things.

For the strikers were suspicious of everyone. Telephone explanations were made in advance. The union officials were convinced that no ulterior motive existed for the visit, and the name of Carl Haessler was given as the password that would get the newspapermen past the guards to secure a union pass.

At the head of the stairs in strike headquarters stood a group of four men armed with bludgeons. As The Financial Post reached

(Continued on page 16)



MILITARY PASS --- Flint Area

T. C. Thompson

of Financial Post - Toronto

will be permitted to pass through all Military Guard Lines in the Flint Area.

By Order of the Area Commander:

Phil Pack

Charge of Public Relations

ONTARIO PROVINCIAL POLICE

SPECIAL PASS

No. 255

Toronto, February 3, 1937

Mr. T.C. THOMPSON,

Post" - Toronto, Ontario

Flint, Mich., Feb. 6 1937

This will identify T. C. Thompson

Press representative for Financial Post of Toronto, Canada

Who is / is not a member of the Newspaper Guild (no Guild charter in Toronto)

Certified Bob Travis (CT)

R. C. Travis,
International Representative
United Automobile Workers
of America

CREDENTIALS

Challenging sentries and automobile strikers demand official credentials from all who enter the "war zone" in the Flint, Michigan, automobile strike area. Essential is the military pass shown above, issued by the National Guard headquarters in Flint to newspapermen entering the strike area and which has to be presented to challenging sentry groups and machine-gunners at every block in the district. The United Automobile Workers of America pass is equally necessary to obtain free passage through strike lines, where bludgeons or blackjacks may be the penalty for failure to produce the required document. Also shown is the card issued to The Financial Post's representative by the Ontario Provincial Police, as identification as a Canadian newspaperman. It brought immediate recognition from both factions in the strike zone and the necessary credentials from military authorities and strike leaders alike.

Canada Provides Laws to Defeat Strikes at Start

Police Have Power to Nip Sit-down Attempts in Bud — Charge Can be Laid When Threat Seen

EFFECTIVE LABOR ARBITRATION

Canada, unlike the United States, has legal machinery capable of instantly stopping a "sit down" strike.

The Criminal Code provides effective measures ranging from intimidation charges, to charges of using force or threats of force, forcible measures in restraint of trade, and other Criminal Code provisions under which "sit down" strikers can be arrested, according to competent Canadian legal authorities.

Nor is there any danger of legal technicalities causing delays which "sit down" strikers in illegal possession of industrial plants can use to entrench themselves. Not only can criminal charges be laid the moment that the threat of illegal seizure is made, but in Canada the average length of time between the laying of a criminal charge and the time of trial is 20 days. In the United States, months or years may elapse.

In addition there is the Lemieux legislation providing for speedy arbitration proceedings in most Canadian provinces. This legislation was passed by the Ferguson Government in Ontario and has since been adapted to the needs of other provinces.

The voice of labor is not stilled in Canada, however. In addition to existing legislation aimed at protecting workers, Canadian labor leaders are now seeking legislation to make it illegal for employers to discriminate against workers for organizing or becoming members of unions. At the moment there is no law expressly legalizing formation of unions in Canada or penalizing employers for discharging workers for joining unions. Authorities believe, however, that such legislation would need to be provincial in character.

Liberal Attitude

Another concession which Canadian labor seeks by legislation is "peaceful picketting," on the ground that a more liberal attitude in that direction would forestall more serious trouble.

"Industrial unions," as distinct from craft unions are recognized by the Trades and Labor Congress of Canada, and some of these unions, similar in some respects to the Lewis-led unions in the United States, exist in Canada. While advantages are seen in organizing all the workers in an industry, labor leaders do not expect this form of union to become predominant in Canada.

The advantages of mass bargaining power are offset for many workers in such a union, particularly for those who are small in numbers and engaged in highly skilled trades. The latter find it difficult to obtain reforms they seek because their interests are overshadowed by the demands of the rank and file. The result has been in the past that some craft unions have broken away from the larger industrial unions or company unions with which they were associated.

THE TORONTO GENERAL TRUSTS CORPORATION

ADDRESSES AT THE 55TH ANNUAL MEETING

Estate's Assets Increase by $6,300,000

Earnings Improved

PRESIDENT

The President, Mr. Thomas Bradshaw, in moving the adoption of the Report, said, in part:

"Before dealing with the Directors' report for the year, I would like to make reference to the appointment of our former President, The Hon. N. W. Rowell, to the office of Chief Justice of Ontario. Mr. Rowell's resignation from the Board of Directors, which was made necessary by this appointment, was received by the Board and the Officers of the Corporation with a deep feeling of regret and a sense of real loss. We extend to Mr. Rowell our heartiest congratulations and our best wishes for health and happiness in the responsible task to which he has been called.

"I would also like to take this opportunity of welcoming on your behalf as new members of the Board, The Hon. G. Howard Ferguson and Mr. Kaspar Fraser, K.C., of Toronto, who have recently been appointed.

"In common with many other companies in Canada, we have felt in 1936 the good effects of the current economic improvement. The volume of estate assets under administration by the Corporation has increased by over $6,000,000, and our earnings have shown a definite improvement.

"Your Directors continue to exercise the utmost care and supervision of the conduct of the affairs of the Corporation and its many clients. I question whether it is generally known just what this involves; regularly each week they hold a meeting at considerable length, at which practical problems of estates and investments are fully discussed. In recent years, owing to the effects of the depression and the many difficulties associated with the sound and remunerative investment of trust funds, their time and experience has been called upon more than in any previous period in the Corporation's history.

ESTATES BUSINESS

"The main function or business for which this Corporation was established is that of acting as trustee, executor or administrator. The founders realized that they could perform an inestimable service to settlors and testators as well as to beneficiaries in providing:

(a) A continuing trustee—thus eliminating the loss and confusion incident to the death of a personal trustee—a trustee, in fact, which would be always available, never ill and never absent on vacation.

(b) A financially responsible trustee, thus eliminating losses which might result from the inefficiency or mismanagement of a personal trustee who had no resources.

(c) A professionally expert trustee—one who would be trained in the work and understand its multifarious details thoroughly; who would know how matters of probate, collection and disbursement of funds, investments, the passing of accounts before the Surrogate Court, the keeping of proper accounts and records, and many other details that could be mentioned, should be handled.

(d) A trustee who could bring a long and tested experience to its work in place of the private executor who so often acts under one Will and one Will only and gains all his experience necessarily through this one Will, perhaps to the detriment or disadvantage of the estate.

"All these advantages your Corporation provides. To them I think should be added the fact that the private executor, whether he be a friend or relation, may be put in embarrassing situations by reason of his friendship or relationship to the beneficiaries. Pressure may be brought to bear upon him which, even though he may resist it, nevertheless may color his judgment. The trust company is not subject to this pressure in this way and is in a better position to carry out impartially the wishes of the settlor or testator.

"The care of trusts and estates is the main part of our business and I may be excused for dwelling on the important services we are able to render to settlors, testators and to beneficiaries and so to the public at large.

"It is significant to note that an appreciable percentage of the estates we handle are estates of moderate size, which fact dissipates the view sometimes held that trust companies only serve the well-to-do.

AGENCY AND CORPORATE TRUSTEESHIP

"The volume of the business in our Corporate Trust and Agency Departments has been steadily growing, and with the recognized helpful services and facilities which they afford to corporations, and with the increasing number of incorporations for the development of mining and other industries, there is an opportunity for further substantial advancement.

TODAY'S EXACTING REQUIREMENTS

"Apart altogether, however, from extending our usefulness into wider fields, more and more is being demanded of us in the present. Economically, values are shifting and changing; government tax regulations are increasing in complexity; accounts require more servicing than they did; investments require much more time and attention. For instance, mortgages and municipal debentures in the past were investments that those ordinarily versed in finance could handle without much trouble or danger, but today it is necessary to keep constantly informed of changing conditions. Whereas in former years the testator hoped and believed he could achieve security for his dependents by leaving exact and unalterable regulations in his will, binding the trustee to act in a certain manner, he is now conscious that no matter how far-sighted are the arrangements he may make today, ten years hence it is probable that something quite different will be needed. The testator necessarily in such a situation turns to the trustee and requires him, under well-defined discretionary arrangements, to exercise his best judgment. I hope I have said enough to show that in the corporate trustee as we understand it, we have a flexible instrument which has adapted itself and can adapt itself to changing economic and social conditions.

"I feel that with the complexities of the present day there are so many advantages to be gained from the employment of a trust company, whether it be in the capacity of an agent or of a trustee under a living trust, or of executor under a will, that the future of the Corporation has unlimited possibilities. Its fifty years of service in this field has given it a background and an experience under varying conditions which justly entitle it to the confidence of the public.

SERVICE THROUGH CO-OPERATION

"In the conduct of our operations we are often brought into close contact with life insurance underwriters and the members of the legal profession. The life insurance company provides insurance funds which form a substantial part of many estates; the trust company conserves and distributes the estates of which these insurance funds are a part. Generally, it may be said that wherever a discretion must be exercised in the administration of an estate, the trust company, with its wealth of experience and its expert staff, is in the best position to exercise that discretion. While the estate has the benefit of the combined judgment of the executive officers and directors, the beneficiaries have the advantage of personal contact with the estates officers, who, having an intimate knowledge of their affairs, are able to give their personal problems individual attention. Trust companies and insurance companies, broadly speaking, can and in many instances do, co-operate to the advantage of their clients.

"To the legal profession, likewise, the trust company may render assistance on the practical side of estate administration. We appreciate the friendly relationship and the co-operation with the profession which we have enjoyed, and we feel that there is a broad field in which we can jointly be of service to the public. On legal questions we recognize the importance of our clients consulting their solicitors, and we emphasize this both in our public announcements and in our personal contacts.

PRESENT AND FUTURE

"The year 1936 has been the most encouraging to business since the advent of the depression, and it closed with a general prospect more favorable than at the end of any other recent year. The economic progress that has been made in most of the nations of the world during 1936 would be cause for wholehearted encouragement, if its permanence were not threatened by international political development in Europe and the East.

"In our own country I should like to add, by way of warning, that although we are emerging into better times we are not advancing towards an unclouded horizon. A number of fundamental problems vitally affecting the future of our country remain unsolved. These have been enumerated and elaborated upon by others, and need not be repeated, but we must know that on their proper solution depends our prosperity and the future of our country. They can, and I believe they will, be solved step by step. No short cut has anything to offer us. All of us, I think, are agreed that while we can legitimately take pride and renewed hope in the improvement which we as a nation are now enjoying, this is all the more reason why we should not allow ourselves or public opinion to forget our difficulties and to degenerate into mere careless optimism, with its resulting boom spirit and over-speculation. Our trust company, among others, is one of the many barriers opposing such a tendency, and this must be, I think, a source of satisfaction to all those whom we serve and who are connected with this fine old Corporation.

STAFF

"These remarks would be incomplete without a reference to the fine spirit which has characterized the efforts of your officers and assistants at Head Office and Branches. They have been conscientious, efficient and loyal in the manner in which they have carried on their work."

VICE-PRESIDENT

The Vice-President, Hon. Charles McCrea, K.C., in seconding the motion for the adoption of the Report, said, in part:

BUSINESS RECOVERY UNDER WAY

"In our own great Dominion of Canada, recovery is now definitely under way. It bears evidence of a normal advance following a protracted period of depression.

"Canada's external trade for the twelve months ending December 31st, 1936, exceeded $1,663,000,000, an increase of $274,000,000 over the same period the previous year. Our favourable trade balance for the twelve month period ending December 31st, 1936, amounts to some $392,000,000.

"In the general business groups, there is steady improvement and an optimistic outlook for heavy industries and construction. Our basic industries are strengthening. Lumbering, helped by mining, and the production of wood pulp and newsprint, show a decided upturn. Agriculture, still profiting under the Preference Agreements of 1932, and with further expansion of its markets because of the Treaty with the United States in 1935, shows a widening scope for export. Wheat has advanced in price, and the sale of manufactured products is up 10.5% over last year. The United States took over $406,000,000 and the United Kingdom took $399,000,000 of various Canadian commodities.

EXPANSION OF MINING INDUSTRY

"The mining industry continues to grow apace, and the volume and extent of this basic industry is one for congratulation. Its contribution to industry, labour, the railways, lumbering, the coal and coke industry, shows substantial improvement.

"Ontario's mineral output for 1936 was estimated at $179,200,000 as against $159,400,000 in 1935.

"Dividends in 1936 from Canadian metal mines showed a gross of $80,950,000 as against $59,364,000 in 1935, and predictions for dividends in 1937 exceed $104,000,000.

"Once more the value of Ontario's mineral production exceeded the value of Ontario's field crops, and 1936 shows a surplus in mineral production over field crops of $17,000,000. The respective figures for 1936 are—Field crops, $162,000,000; Mineral Production, $179,000,000.

"The prices of base metals have advanced, reflecting increased activity. There is increased demand for power for the primary industries, particularly mining, and as the value of the primary products increases, adding a new purchasing power throughout Ontario, there is an increased demand for power in the secondary industries throughout the Province as elsewhere.

"The outlook for mining is an optimistic one. Our production in 1934 in Canada was $278,000,000. In 1935 it was $312,000,000. 1936 saw a production of $360,000,000, an all-time record. The estimate for 1937 is a production of $440,000,000 and it is estimated that 1938 will see a mineral production in Canada valued at $500,000,000.

"The list of dividend distributions tells its own story. For Canadian metal mines they were as follows:

1932 - $23,906,000
1933 - 27,922,000
1934 - 49,470,000
1935 - 59,364,000
1936 - 80,950,000

while the dividend prediction for 1937 is $104,500,000.

"Widespread benefits accruing from the mining industry are best illustrated by pointing out that the annual purchases of one concern, the International Nickel Company, include Canadian coal at the rate of 350,000 tons, coke 150,000 to 200,000 tons, and lumber products approximating 53,000,000 feet board measure. When one realizes that the nickel production of this country forms 85% to 90% of the world supply, and that over 99% of that output is for export, we grasp in a small way the vast possibilties which lie in the development of this basic trade.

"As pointed out last year, the mining industry is a hazardous one, but is nevertheless a great, legitimate business which is steadily adding to Canada's wealth, and helping substantially to lead Canada back to prosperity. This wealth is new wealth and Canada may well look forward with confidence to the beneficial influence which this industry wields."

GENERAL MANAGER

The General Manager, Mr. W. G. Watson, said, in part:

"The 55th Annual Report of the Corporation for the year ended 31st December, 1936, will, I trust, be found satisfactory.

EARNINGS

"The net profits for the year were $279,784, or an increase of $53,010 over the preceding year.

"Our profits were conservatively taken on a cash basis and in the light of prevailing conditions. Improvement in interest collections, as also in returns from Real Estate, increase in commissions and fees for services rendered due to a larger volume of business, have all contributed to produce the better result to which I have referred.

INCREASE IN ESTATES ADMINISTERED

"The Balance Sheet shows, as you have no doubt observed, a new high record in assets under administration, with a total of $240,755,193, or an increase over last year of $5,320,836.

"The Corporation's own Capital assets are up some $73,520.

"In the Guaranteed Section, Deposits on Savings are up $112,193, while funds held under Guaranteed Certificates are down by $1,179,448.

"Our liquid position has been well maintained—quick realizable assets on hand representing over 95% of Savings on Deposit.

"In continuation of our well-established practice, the Guaranteed Section is clear of Real Estate; all properties which came into our hands through foreclosure or quit claim deeds during the year having been taken over by the Corporation and included in our own Capital Section of the Balance Sheet.

"The Estates, Trusts and Agencies Section of our Balance Sheet shows an increase in assets for the year of $6,314,570 for a total of $215,340,916.

"All securities including Government Bonds, Municipal Debentures, Stocks and Bonds and collateral coverage for Call Loans held for either Guaranteed Account or the Corporation's own Capital Funds are shown in our Report at market values as of 31st December last.

NEW BUSINESS

"The New Business assumed during the year apart from Corporate Trust funds exceeded $22,000,000 and represented in volume the sixth largest year in our history. Estate and Trust funds in large totals become distributable each year in accordance with the terms of Wills and Trust Deeds under which we act, and yet each year a substantially larger volume of assets are committed to our care resulting as, for instance, in the year 1936 as I have already pointed out in a net increase of over $6,000,000, giving evidence not only of the improvement in Canada of security values but also the increasing confidence in which your Corporation is held.

VOLUNTARY REDUCTION IN FARM DEBTS

"During the year the Corporation and other companies holding mortgage investments in the Province of Saskatchewan entered into a voluntary plan of debt reduction in conjunction with the Dominion and Provincial Governments with a view to affording a substantial measure of relief to borrowers in the drought area from conditions resulting from a series of whole or partial crop failures and low prices. Under this plan very important concessions have been made to the farmers of the Province, not only by the companies but by the Governments of the Dominion and of the Province and also by the Municipalities in the drought area.

"A somewhat similar plan of voluntary debt reduction is under way in the Province of Manitoba.

"Action necessary to give effect to these arrangements was taken by your Corporation before the close of the year. The mortgage accounts in the drought area in Saskatchewan were reset in our books at the new figures as of 31st December, with the exception of a few accounts in which for one reason or another the figures could not be determined. It is of interest to note that in the drought area in Saskatchewan over 65% of the new standard form agreements under this voluntary plan of debt reduction which were sent out by the Corporation to its borrowers shortly before the close of the year, have already been signed and returned to our office.

"This voluntary reduction of debts in co-operation with the several governments interested really represents a blanket extension over the entire drought area of a practice which has been followed by your Corporation and other lending companies throughout the West for a number of years by which in individual cases bonuses were granted for specific performance, write-offs of interest were made, together with interest rate reductions, extensions of time for payment, advances for seed grain and other assistance given—all made in an attempt to co-operate with borrowers who, through low prices or short crops, or both, were facing in recent years problems which were too heavy for them alone to solve.

"In Alberta the same practice of making concessions to borrowers in individual cases has been in effect as in the other provinces, but similar blanket action in the drought area in Alberta has not been possible owing to the passing by the Province of Alberta of the Debt Reduction and Settlement Act. The question of the validity of this legislation is now before the Courts in Alberta and until some finality is reached in so far as this Act is concerned, further adjustment of farm mortgages in Alberta must continue in abeyance.

REAL ESTATE MARKET

"Our sales of Real Estate for the year at Head Office and Branches for all accounts including properties held for Estates and Agencies as well as our own properties, amounted in number to 336 and in volume to $1,374,772, with cash down payments of $474,276, or an average of approximately 35% of the sales price as compared with a total sales volume of $983,257 for 1935. Of these sales, 222 were city properties for a total of $1,032,957 and 114 farm properties for $341,815.

"Real Estate activity in Toronto, except perhaps for new residences in very limited areas, has been very restricted. Of the above mentioned 222 sales of city property, only 83 of these were made in Toronto, while 58 were effected in Vancouver where our business is, of course, much smaller. Rents in Toronto have increased somewhat and should move up again this Spring but taxes are high and would-be buyers under the circumstances are slow to take on the responsibility of owning their own homes.

"It is hoped, however, that some improvement will show itself this Spring.

REALTY TAXATION RETARDING CONSTRUCTION

"The construction industry which in a normal year like 1926 rolled up a total of $372,000,000 and increased to $576,000,000 in 1929, also lags far behind other industries with a volume of approximately $162,000,000 for 1936.

"There is no doubt that the burden of taxation which the owners of real estate are carrying today is not only delaying a return to a normal market for real estate but is also seriously retarding the building programme in Canada. The problem of taxation is one which the municipalities, and particularly the larger municipalities, cannot hope to solve alone, as the fact is that at the present time the owners of real estate under our present system are being asked to provide far too large a share of the increasing cost of government through the extension of social services. One feels that this is a matter which might properly be placed upon the agenda of the Royal Commission, the appointment of which we are glad to observe the Federal Government has under consideration to study the financial relations as between the Dominion Government and the Provinces. The commission might be asked to explore the whole field of taxation including the proper allotment of taxing powers as between the Federal, Provincial and Municipal Governments, having regard to the expenditures of these Governments and the services they have severally to maintain.

"One feels that with some reasonable reduction of the tax burden on real estate, together with the removal in whole or even in part of the restrictive legislation affecting the attractiveness of first mortgages on real estate as an investment, we should shortly have under way an upturn in the market for real estate and in the construction industry generally, which is long overdue. Under such improved conditions there would be ample money available at fair rates of interest to provide not only for new homes, repairs and alterations to others which, added to the necessary expenditure of funds in the renewal of obsolete plants, railway equipment, etc., should shortly result in a marked increase in employment.

IMMIGRATION NEEDED

"Among our plans to improve our position and develop our resources we should open our doors each year to a reasonably limited number of selected families from Great Britain and Northern Europe—men and women who know and love the soil—men also who are accustomed to mining, for it is becoming increasing difficult to get experienced or competent men in Canada for this great industry which is so rapidly increasing its output from year to year and will continue to so develop for years to come.

STABILITY OF FINANCIAL INSTITUTIONS

"The financial institutions in Canada have, during the last seven difficult years in local as well as world affairs, maintained a sound business administration and provided an efficient service for their clients and the public at large in the several spheres in which these institutions respectively operate. They have not been slow to recognize the problems of Government and have co-operated in every way possible that presented itself for joint action or co-operative endeavor. These institutions have realized their grave responsibilities in times of stress and strain, first to their clients who had entrusted to them their savings and business affairs as also their responsibilities to one another and to the country at large. They faced their problems with courage and faith in Canada and in the soundness of her people. They have relied upon their own resources—have balanced their budgets by reducing their expenses and distributions to shareholders to keep within their reduced incomes or earnings.

"They have for the most part exercised a sympathetic interest and concern toward the unfortunate borrower who, through no fault of his, found his obligations too heavy to carry and to such extended whatever assistance seemed possible, having regard to the institution's own obligations to its thousands of clients."

ELECTION OF DIRECTORS

The following were elected Directors: Thomas Bradshaw; Hon. Charles McCrea, K.C.; Hon. A. C. Hardy; Col. John F. Michie; H. H. Williams; Archibald H. Campbell; F. Barry Hayes; S. J. Moore; Isaac Pitblado, K.C.; Alexander Maclaren; Paul J. Myler; Albert Matthews; A. E. Phipps; C. S. MacInnes, C.M.G., K.C.; W. G. Watson; T. A Russell; Alexander Fasken, KC.; C. S. Macdonald; Arnold C. Matthews; Arthur L. Bishop; Hon. G. H. Ferguson; W. Kaspar Fraser, K.C.

Windsor Hotel Plans Extensive Renovations

MONTREAL.—Windsor Hotel Ltd. is faced with substantial expenditures for renovation and modernization, according to a statement made by J. Alderic Raymond, vice-president, at the annual meeting of shareholders. In order to meet the more exacting demands of the travelling public and to place the company in a position to benefit from opportunities for increased business, Mr. Raymond said it was necessary to give immediate consideration to bringing equipment and furnishings up to date.

Saint John Budget $200,000 Higher

From Our Own Correspondent

SAINT JOHN.—Unwilling to further deplete the city's special investment account of moneys received from the sale of the harbor to the Federal Government, the Common Council has decided to assess for interest and sinking fund this year.

For the last two years there had been no assessment for these requirements, the practice having been adopted of taking them from the special investment account.

Council has approved estimates for 1937 of $1.9 million, $200,000 higher than those of 1936.

Canadian Industries Ltd. Pays More on Common

From Our Own Correspondent

MONTREAL.—Directors of Canadian Industries Ltd. have declared a dividend of $1.50 a share on the common stock, payable April 30 to shareholders of record March 31.

D. A. Stuart Oil Co. Lists Preferred at Toronto

Preferred shares of D. A. Stuart Oil Co. have been listed on the Toronto Stock Exchange. The listing covers an authorized 100,000 shares of the no par value preferred of which 45,000 shares are issued. The company also has 30,000 common shares outstanding but these are not being listed.

In listing papers submitted to the exchange, the company shows net profit of $47,852 for the six months ended Nov. 30, 1936, after allowing for depreciation, amortization of patents and provision for income taxes. This compares with annual dividend charges of $36,000 at the rate of 80 cents a share on the preferred.

The company is an Ontario incorporation and carries on a business in industrial lubricants in the United States and Canada.

No Replies Yet Given McNairn

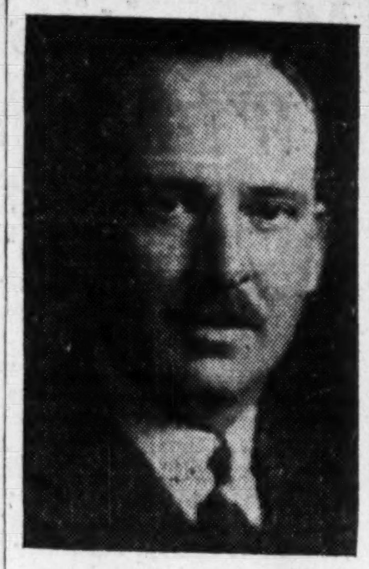
Course Companies Will Take Can't be Predicted

This week has brought no new developments in the Ontario fire and casualty insurance "clean-up" campaign.

Company executives point out that as yet Superintendent of Insurance H. D. McNairn has made no specific charges against methods of doing business or the cost of insurance. His demand that the companies justify their position or clean up shop was couched in general terms. Definite complaints which the superintendent received, and on which he acted in calling a meeting of representative stock company officials two weeks ago, were promised the men attending that meeting. As yet they have not been received, but it is understood that they will be going forward shortly.

Meanwhile, the situation has created a great deal of conjecture, and has led to a number of rather wild rumors. Most insurance men refuse any statement whatever in regard to the superintendent's move and its probable consequences, at least until the actual charges are submitted. Some regard the action ill advised; some feel that, while there are conditions in the business which should be given immediate attention, they should have been dealt with in a different manner. A few are inclined to welcome a "showdown," whereby all the cards may be laid on the table.

What course the companies will pursue, of course, cannot be predicted at present. Observers are of the opinion that it will be determined largely by the strength of the case as presented by Mr. McNairn. That insurers, particularly members of the Canadian Underwriters' Association, will stoutly contest the complaints lodged with Mr. McNairn appears assured.



TORONTO MANAGER

George F. Crum, who has been appointed manager of the Toronto main division of Crown Life Insurance Co. Mr. Crum joined Crown Life in 1929 as joint manager with G. T. Somers of the Crum and Somers Agency. In 1936 he was president of the Toronto Life Underwriters Association.

Prudential of England Achieves New Record

A recent item in The Financial Post quoted the total of new business written by the Prudential Assurance Company of London, England to be $146,500.

This, of course, should have been $146,500,000.

This is the total figure of ordinary business written by the entire company during 1936 and constitutes a new head office record for the company.

Insurance Inklings

S. J. SLATER, formerly with the Toronto office of the Hartford, has been appointed inspector in charge of western Ontario business of the Mill Owners Mutual Fire Insurance Co.

H. O. HOLROYDE has been appointed Ontario inspector of the Great American Group of insurance companies.

GUARANTEED BY EAGLE, STAR AND BRITISH DOMINIONS INSURANCE CO. LIMITED OF LONDON, ENGLAND

FIRE

BRITISH CROWN ASSURANCE CORPORATION LIMITED

GLASGOW SCOTLAND

J. H. RIDDEL
Manager
V. G. CREBER
Asst. Manager

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AGENTS

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Applications for Agencies in unrepresented districts invited

Strength and Security

The following statement records another year of financial progress:

Balance Sheet, December 31, 1936

ASSETS

Real Estate and Agreements of Sale	$ 790,444.96
Mortgages on Real Estate	3,550,138.40
Loans on Policies	1,213,974.45
Automatic Premium Loans	505,442.57
Bonds and Debentures at market values	3,036,072.65
Stocks at market values	547,213.00
Amounts on Deposit with Trust Companies	47,650.35
Cash at Home and Branch Offices	1,938.62
Cash in Banks	38,272.68
Collateral Loans	2,500.00
Interest and Rents Due and Accrued	201,746.71
Due from other Companies	708.00
Net Premiums Due and Accrued	182,618.20
TOTAL ASSETS	$ 10,118,720.59

LIABILITIES

Net Policy Reserve	$ 8,368,784.14
Outstanding Claims Awaiting Proof	69,129.75
Reserve for Unreported Claims	10,000.00
Amounts left on Deposit	645,734.09
Premiums and Interest Paid in Advance	6,080.31
Coupons on Outstanding Premiums	16,029.61
Dividends Apportioned to Deferred Dividend Policies	104,433.56
Taxes Due and Accrued	26,610.00
Other Liabilities	82,240.17
Reserve for Mortgage and Real Estate Investments	225,879.84
Special Investment Reserve	60,000.00
Capital Stock	250,000.00
Unallotted Surplus	253,799.12
TOTAL LIABILITIES	$ 10,118,720.59

●

All surplus and reserve funds show substantial increases. New investments during the year were carefully selected and are well diversified. A record increase in total assets was recorded.

●

The Company has well maintained its unbroken record of surplus improvement each year since 1929.

●

Total surplus for policyholders now stands at $608,232.68.

A copy of the complete Annual Report available on request

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Northern Life Assurance Company of Canada

R. G. IVEY, K.C., President
Established 1897

G. W. GEDDES, General Manager
Home Office: London, Canada

Mutual Invests $20.4 Millions

Excess of Market Values Reported at $7.5 Millions in 1936

Mutual Life of Canada has almost 98% of its total business in force in Canada according to figures submitted in the 67th annual statement of the company at Waterloo last week.

Total outstanding at the end of the year was $537.8 millions, an increase of $10.5 millions over 1935. Of this total $523.1 millions is ordinary business and $14.7 millions group insurance. Business in force in Canada totalled $521.5 millions.

An important item in 1936 income was the sum of nearly $1.3 million of profit from sales of securities. Of this sum $841,000 was used to write down the cost of new investments and $300,675 to provide for further possible depreciation in bond values. Rate of interest earned on ledger assets was 4.81% compared with 4.95% in 1935.

Distribution of Assets

Distribution of total assets amounting to $161 millions was shown as follows: Bonds and debentures—50.7%; mortgages—22.8%; policy loans—17.2%. Bond purchases made during the year aggregated $20.4 millions representing investment of new money and proceeds arising from the sale and redemption of securities. Return on these new investments was 3.48%. Value of the company's bonds and stocks on the basis of market values as at Nov. 30, 1936 exceeded the value at which they were taken into the company's books by $7.5 millions.

Other figures of the company's operations in 1936 were reviewed in The Financial Post of Jan. 23. Comparative items from the company's balance sheet follow:

Mutual Life of Canada

	1936 $	1935 $
Policy loans	27,657,896	28,734,113
Mortgages	36,597,650	38,478,442
Bonds	81,755,456	72,156,391
Total assets	161,106,207	152,630,000
Policy res.	128,360,201	122,858,640

Great-West Bonds Gain

Holdings Now Represent 47.7% of Ledger Assets

A sharp increase in holdings of bonds and debentures was reported by Great-West Life Assurance Co. at its annual meeting at Winnipeg last week. Total holdings are now shown at $67.9 millions or 47.7% of ledger assets. This compares with $59.1 millions in 1935 which at that time represented 43.8% of ledger assets. In both years investments are shown "at book values which in the aggregate are less than the value authorized by the federal insurance department."

In his address to the meeting G. W. Allan, K.C., president of the company, drew attention to the fact that payments made to policyholders and beneficiaries during the year totalled $15 millions of which $11 millions went to living policyholders. The total so paid out since the companies inception was $183 millions. More than $1 million was repaid by policyholders in the reduction of policy loans during the year.

No change has been made in the company's special reserve funds since 1935, these now including a $3 millions contingency reserve and $2.4 millions of free surplus. The latter figure is slightly higher than at the end of 1935.

Distribution of the company's ledger assets and comparative figures not covered in The Financial Post on Jan. 30, follow:

GREAT-WEST LIFE
Balance Sheet Items

	1936 $	1935 $
Bonds and deb.	67,955,906	59,119,777
Mortgages	42,439,119	44,464,685
Policy loans	24,834,245	25,484,064
Policy reserves	121,707,848	116,073,447
Conting. res	3,000,000	3,000,000
Surplus	2,438,935	2,352,525

Distribution of Ledger Assets

	%	%
Bonds and debentures	47.7	43.8
City mortgages and props.	18.2	19.7
Farm mortgages and props.	14.9	16.1
Policy loans	17.4	18.9
Stocks (common and pref.)	.6	.4
Cash and miscellaneous	1.2	1.1
	100.0	100.0

Sun Life Pays New Dividends

Shareholders of Sun Life Assurance Co. will receive a dividend cheque on April 1 for the first time in five years. The dividend will be at the rate of $15 per share per annum and will be paid quarterly. The first payment of $3.75 will cover the quarter ending March 31.

Policyholders will also share in the improved situation reflected in the company's annual report. Effective April 1 they will receive an increase in dividends. The increase will be greatest on whole life policies where the element of protection predominates and also on policies at younger ages and shorter durations.

Of equal importance is the announcement that henceforth participating policyholders will receive 97½% of divisible profits of the participating branch of the business and shareholders 2½%. Policyholders, under the Dominion Insurance Law, must receive at least 90% of profits derived from their own policies, but for many years the Sun Life has allotted to policyholders 95% of such profits. It now increases the amount to 97½%.

Second Standard Royalties To Pay 1% on Preferred

A dividend of 1% on the preferred shares of $1 each of Second Standard Royalties Ltd. has been declared payable March 1, 1937, to shareholders of record Feb. 16.

The last previous payment on the shares was 1%, on Oct. 1, 1936. Payments in 1936 totalled two cents a share, compared with three cents a share in 1935.

Insurance Reports

Sun Life of Canada

Substantial gains in almost every department and a return once more to a "better-than-market-value" basis was reported by Sun Life of Canada at its 66th annual meeting this week. The company announced it had passed another milestone in having paid over $1 billion to policyholders and their dependents since it first started business in 1871.

It also announced a resumption of dividend payments to shareholders after a lapse of five years and an increase both in the dividend scale to participating policyholders and in the proportion of dividends which will henceforth be allotted out of profits to participating policyholders.

New business issued and paid for showed little change from 1935 at $219 millions. Business in force rose by $39 millions to $2.7 billions. This is the first increase since 1931. The gain, according to Arthur B. Wood, president and managing director, is due to a sharp decline in lapse and surrender of policies.

Assets at the end of the year were shown at $777 millions a new high figure, $70 millions greater than at the end of 1935. Holdings of bonds are higher at $310 millions while common stock holdings are down to $258 millions or about 43% of ledger assets. This decline probably reflects the fact that for 1936 the company has used book values for the first time in valuing its securities.

Profit on sale of securities amounted to $10.7 millions which brought the company's earned surplus for the year to $30 millions. Out of this total, $10 millions was set up as a special contingency reserve and part used to swell free surplus which stood at the end of the year at $18.1 millions compared with $5.9 millions in 1935. The company reported an increase in the rate of interest earned on its invested assets from 4.11% in 1935 to 4.29% in 1936.

Analysis of income shows increases in respect of annuity considerations, single premium income and in amounts received as interest and dividends. Total income was higher by nearly $11 millions. Policy payments were lower giving an excess of income over disbursements of $60.7 millions compared with $47.2 millions in 1935.

Comparative figures for key items follow:

Sun Life of Canada

	1936 $	1935 $
Bus. in force	2,775,949,087	2,736,960,030
New ins. paid for	219,966,637	219,076,254
Income and Disbursements		
Premium Income:		
New	6,552,926	7,040,561
Renewal	85,208,722	88,360,491
Single	5,163,142	4,839,331
Annuity	13,542,361	12,699,058
Total	110,467,150	112,939,442
Int. & divds.	29,883,837	26,607,259
Total income	164,083,596	153,406,765
Policy payments	77,489,305	80,284,457
Total disb.	103,384,868	106,175,896
Exc. inc. over disbursements	60,698,728	47,230,869
Assets and Liabilities†		
Bonds	310,200,831	218,464,102
Common stocks	258,293,090	272,255,534
Pref. & guar. stks.	19,299,868	19,037,619
Policy loans	87,331,699	91,922,279
Total assets	777,803,539	707,052,401
Policy reserves	652,938,688	610,364,190
Free surplus	18,118,208	5,950,374

† 1936 security holdings are on the basis of book values; 1935 holdings were "authorized" values.

Saskatchewan Life

An increase in paid business and in business in force was reported in the 23rd annual statement of Saskatchewan Life Insurance Co. New business issued during the year was less than in 1935 but according to the report of the directors, "the business appears to have been of improved quality," thus causing a substantial increase in paid-for insurance.

Due to operations of the Voluntary Debt Adjustment Scheme in Saskatchewan the company found it necessary to write off a considerable part of outstanding and accrued interest. This item dropped from $167,500 in the company's balance sheet at the end of 1935, to $85,000 in 1936. The latter figure takes into account no outstanding interest in excess of two years.

In view of the heavy losses absorbed by the company through the debt adjustment scheme, the company has decided for the time being to reduce payments of dividends to policyholders and discontinue dividends to shareholders.

The company reported a further reduction in mortality experience during the year to the low figure of 34.5% and a further reduction in operating expenses. Acquisition cost of new business was substantially reduced. The company is now operating in the four western provinces.

Comparative figures of key items follow:

Saskatchewan Life

	1936 $	1935 $
New ins. issued	1,875,102	2,109,353
New ins. paid for	1,360,963	1,167,000
Prem. income	229,648	229,956
Interest, rents, etc.	68,747	87,297
Total assets	1,927,027	2,046,950
Bus. in force	8,708,740	8,489,336

Northern Life

Gains in new business, total assets, business in force and surplus were reported in the 40th annual statement of Northern Life. New business paid for, when compared with corresponding figures for 1935 and including revivals and increases, rose 6.8% to $6.9 millions. Business in force rose to $44.7 millions. The company reports that its increase in business was achieved by a smaller number of agents with higher average production per man.

Total assets crossed the $10 millions mark for the first time in the company's history. The largest gain was in mortgages held, the company having followed the policy of investing most of its new funds in mortgages on urban real estate. Investment reserve is increased by $80,000 to $285,000. Of this total, $60,000 is a contingency reserve against fluctuation security values and the remainder definitely allocated to specific mortgages. Interest rate of invested assets was 4.53% compared with 4.91% in 1935.

Income, apart from net profit on sale of securities and real estate, was lower than in 1935. This is accounted for by the trend toward lower initial cost policies which the company is encouraging as well as by lower interest earnings. After meeting reserve requirements, surplus for the year was increased to $253,800. This is the seventh year of consecutive increase in company surplus. Cost ratios are reported to have shown a steady decline.

For 1937 the company will pay the same scale of policyholder dividends as was inaugurated in 1934 and continued since that time.

Comparative figures for key items follow:

Northern Life

	1936 $	1935 $
New bus. paid for*	6,944,587	6,497,174
Business in force	44,712,063	43,816,439
Net prem. income	1,253,357	1,270,730
Total income	1,871,652	1,870,060
Bonds and deb.	3,036,073	3,144,334
Mortgages	3,550,138	3,167,181
Policy loans	1,719,416	1,753,251
Total assets	10,118,721	9,641,749
Policy reserves	8,368,784	8,092,125
Inv. res.	285,880	205,880
Free surplus	253,799	229,965

*Inclusive of increases and revivals.

Maritime Life

Gains in new business, total assets and insurance in force are reported in the annual statement of Maritime Life Assurance Co. Total business in force now amounts to $14.1 millions on 5,904 policies as compared with $13.2 millions on 5,547 policies at the end of 1935. New business issued and revived was $2.2 millions.

Income rose 18% during the year, the company reporting a rate of 5.45% as interest realized on book value of securities. Assets crossed the $2 millions mark for an increase of 13%. A dividend of 3% on the paid-up capital stock of the company for 1936 was declared to shareholders of record Dec. 31 and payable Feb. 15.

Free surplus after all liabilities was substantially higher at $24,709.

Comparative figures for key items follow:

Maritime Life

	1936 $	1935 $
New business issued	2,231,253	2,190,473
Business in force	14,114,863	13,208,039
Premium income	334,657	296,785
Interest income	97,750	82,360
Policy reserves	1,691,932	1,447,980
Total assets	2,121,240	1,877,067
Free surplus	24,709	16,432

Sovereign Life

Gains in income, assets and total insurance in force are reported in the annual report of Sovereign Life Assurance Co. of Winnipeg. Business in force at the end of the year totalled $28.6 millions, an increase of $1.1 million over 1935. It is pointed out, however, that the 1936 figure is on the new basis adopted by the federal insurance department and excludes all new business issued during the year but not taken up by applicants and fully paid or settled for. On a comparable basis the net increase for 1936 would have been $1.9 million.

Consideration received for annuities during the year rose sharply to $109,000 but new business declined by $1 million during the year due mainly to "a continuance of disturbed conditions in the Prairie Provinces."

Premium Income

Premium income rose sharply and nearly $72,000 was received as profit on sale of securities compared with a corresponding item of $22,000 in 1935. Of the 1936 profit about half was applied against ledger assets and the remainder made available for surplus. Among disbursements, death claims were higher although mortality rose to only 51.1% of expected. Operating expenses were moderately higher due to "certain special items which should be of a non-recurrent nature"

Analysis of assets shows a sharp increase in government bonds which now amount to 16% of invested assets compared with 12% last year. Preferred and common stock holdings were almost double in value and amounted to 4.7% of assets. Total bond and stock holdings were 42% of ledger assets at the end of 1936. Of the remainder, 17.3% was in city mortgages; 18% in farm mortgages and 15.2% in policy loans. Rate of interest earned was 5.35% compared with 5.72% in 1935.

Earned surplus after meeting all payments but prior to allocation of dividends, reserves and other special purposes, totalled $469,000 or $80,000 more than last year. Free surplus remained unchanged at $145,000, while investment reserve was slightly lower at $215,000.

Comparative figures of leading items follow:

Sovereign Life

	1936 $	1935 $
New business issued*	7,184,276	8,126,125
Bus. in force	28,620,910	27,468,744
Net prem. income	901,485	773,650
Bonds and deb.	2,297,461	2,065,106
Mortgages	2,131,037	2,232,234
Policy loans	916,672	912,405
Total assets	6,461,240	6,120,213
Policy reserves	5,344,869	4,973,548
Inv. res.	215,000	262,000
Free surplus	145,671	145,476

*Including increased and revived.

Guarantee Co.

Guarantee Co. of North America's financial statement for 1936 shows an increase in net premiums and reduced net losses, while there was an appreciation in the company's portfolio.

Total revenue reported for last year was $422,004, compared with $397,646 in the previous year. There was a decline in fees from underwriting, a small decrease in investment income, but an increase in valuation. After taking care of all charges, including dividends and bonus, there was a surplus of $106,933, as against $84,555 in 1935.

The balance sheet shows bonds and stocks at nearly $4.4 millions, as against $4 millions at the end of 1935. Real estate holdings show a small decline, which is more than offset by an increase in cash on hand. Among liabilities claims remain about the same, while the premium reserve has been increased to $225,246. Reserves now stand at $950,000, as against $740,000 a year ago.

Profit and Loss Account
Year Ended Dec. 31

	1936 $	1935 $
Underwrit. income	3,554	30,562
Invest. income	152,408	154,782
Total income	155,963	185,344
Incr. in valuation	266,040	212,301
Total revenue	422,004	397,646
Less: Depreciation	7,598	5,618
Cont. reserves	210,000	210,000
Dividend & bonus	97,472	97,472
Carried to surplus	106,933	84,555

Income and Expenditure

	1936 $	1935 $
Premiums	538,796	534,790
Res. fnds. transfer	......	21,787
Interest and rents	199,825	192,718
Total income	738,621	749,296
Deduct:		
Underw. expenses	332,027	312,391
Reinsurance	82,274	96,422
Losses paid	37,560	82,169
Inv. expenses	47,643	40,946
P. and L. items	7,336	7,090
Balance	231,778	210,275
Dividends and bonus	97,472	97,472
Surplus	134,306	112,803

St. Paul Fire

A marked reduction in premium income and very substantial increases in assets and surplus feature the financial statement of St. Paul Fire and Marine Insurance Co. for the year ended Dec. 31, 1936.

Net underwriting profit for the year is shown at $1.6 million, interest amounted to $1.4 million and appreciation in market value of securities $1.3 million. In addition there was a net profit from underwriting and interest revenue of subsidiary companies of $814,124, bringing the total to $5.1 millions. Of this amount, $310,000 was appropriated for income tax, $1.2 million paid in dividends and $1.3 million, representing appreciation of securities, set aside as reserve for depreciation.

Comparative figures reflecting the company's operations are as follows:

	1936 $	1935 $
Net premiums	10,676,791	13,413,953
Unearned prems.	8,647,086	10,058,845
Assets	39,398,014	37,210,161
Capital and surplus	26,419,614	24,131,209
Conflagration res.	450,000	375,000

University Bursars Discuss Pension Plans

Bursars and business officials of Canadian Universities have organized for the first time in Canada. An initial meeting was held in Toronto this week. W. J. Little, bursar, Victoria University was appointed chairman of the group which will hold regular annual meetings. G. M. Henry, bursar, McMaster University was appointed secretary.

This week's meeting was devoted largely to discussions of problems of finance, operation and maintenance of educational institutions. Specific problems discussed were: Pension plans for maintenance employees, problems of fire and liability insurance, the collection of fees, the investment of scholarship funds (the advantages of segregated and consolidated investment plans).

FIDELITY
Insurance Company
of Canada
TORONTO

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Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.

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FIRE, WINDSTORM, AUTO, CASUALTY

RELIANCE
INSURANCE COMPANY
of
CANADA
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Property Insurance

H. P. Thornhill Promoted By Sun Life Company

From Our Own Correspondent

MONTREAL.—H. P. Thornhill has been promoted from the position of associate treasurer to that of joint treasurer of the Sun Life Assurance Co. of Canada, with the rank of a senior officer of the company, according to announcement made by Arthur B. Wood, president and managing director.

Mr. Thornhill joined the Sun Life as assistant treasurer in 1923. He received his early training with Lloyd's bank and later with the Bank of North America.

Founded in London 1797
Established in Canada 1880

Sometimes the most respected and capable employees become entangled in crises that tempt them to take funds from their employer. This contingency is one business men should provide against by the use of

FIDELITY BONDS
Full Particulars on Request

NORWICH UNION FIRE INSURANCE SOCIETY LIMITED
Head Office for Canada: 12 Wellington St. E., Toronto
E. M. WHITLEY, General Manager for Canada
F. W. LAMONT, Asst. Mgr. C. C. PAULL, Asst. Mgr.

Building Up an Agency

An Insurance Agent can best build up a solid and substantial Agency by representing a solid and substantial Company.

UNION INSURANCE SOCIETY OF CANTON LTD
Established 1835
Head Office for Canada - TORONTO
ASSETS $31,000,000.00
COLIN E. SWORD, Manager for Canada
J. W. BINNIE, Associate Manager (Montreal)

Fire and Windstorm INSURANCE

Over Half A Century of "Service with Security"
Est. 1884

THE PORTAGE MUTUAL INSURANCE CO.
MUTUAL SERVICE WITH SECURITY

MAXIMUM COVERAGE AT MINIMUM COST

For fifty-two years this purely Western Company has successfully provided Western Canada with insurance at cost.

Careful selection of risks, high character of investments and reinsurance treaties assure "Portage" policy-holders of the fullest measure of protection.

Branches: WINNIPEG, REGINA, CALGARY

85

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
PORTAGE LA PRAIRIE MAN.

Selected Risks mean BIGGER DIVIDENDS for our POLICYHOLDERS

BRANCHES ACROSS CANADA
Vancouver
Kelowna
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax

BY selecting only the highest type of risks this company is able to effect substantial savings for its policyholders, which are returned to them in the form of dividends. In 1935 $1,098,428 were distributed in this way.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non Assessable Policies Assets $6,000,000.

St. Paul Fire and Marine Insurance Company
St. Paul, Minnesota

F. R. BIGELOW, President
C. F. CODERE, Vice-President J. C. McKOWN, Secretary

Seventy-Second Annual Statement
As Made to Directors and Stockholders

December 31st, 1936

ASSETS

Bonds (at Market Value Dec. 31st)	$22,032,576.65
Stocks (at Market Value Dec. 31st)	10,252,324.51
Home Office and Other Real Estate	1,149,827.95
Mortgage Loans	1,744,439.98
Cash and Bank Deposits	1,952,954.06
Agents' Balances, not over 90 days	1,793,977.15
Due from Re-insurance Co's. Notes, etc.	254,014.80
Accrued Interest	217,899.88
	$39,398,014.98

LIABILITIES

Reserve for Unearned Premiums		$8,647,086.46
Reserve for Unadjusted Losses		1,608,299.80
Reserve for Taxes		587,533.47
Reserve for Contingent Comms., etc.		98,000.00
Reserve for Adjustment Expense		80,000.00
Reserve for Depreciation		1,257,940.58
Funds held under Re-insurance Treaties		249,540.70
Conflagration Reserve		450,000.00
Capital Stock	$ 4,000,000.00	
Surplus	22,419,613.97	
Total Policyholders Surplus		26,419,613.97
		$39,398,014.98

The investments owned by the Company (not including stock in subsidiary companies) increased in market value during 1936 in the sum of $1,257,940.58. No credit is taken in this statement for any of this increase, the entire amount is set up as a special reserve.

The stock in subsidiary companies is carried into this statement at its book value after setting up a reserve for the increase in security values of the respective companies.

P. A. CODERE, Chief Agent for Canada
402 Paris Building
WINNIPEG, MAN.

Sun Life Policy Payments Cross Billion Dollar Mark

Arthur B. Wood, President and Managing Director, Announces Important Milestone Reached in Company's History—Dividends to Policyholders Increased for 1937 — Assets Reach New High Point at Seven Hundred and Seventy-Seven Million Dollars.

Director's Report at 66th Annual Meeting Shows Business in Force Now Totals $2,775,000,000 —New Business Paid For in Excess of $219,000,000—Rate of Interest Earned Increases for Second Consecutive Year—Other Substantial Gains Reported.

Arthur B. Wood, president and managing director of Sun Life Assurance Co. of Canada in presenting the 66th annual report of the company before the annual meeting at Montreal drew especial attention to the record of life insurance and stressed the fundamental purpose for which a life insurance company was organized. He emphasized the co-operative nature of the undertaking and stressed the social and national advantages of an adequately assured population.

"Life assurance," he said, "is in effect a co-operative undertaking, operated in the interests of its members. Policyholders, drawn from all classes of society, are brought into co-operation with each other through the agency of the life insurance company, for the purpose of making financial provision against the hazards of premature death or indigent old age.

"Every expansion of life assurance represents an increase in the numbers of those who assume responsibility for personal or family support at a time when income may be diminished or cease altogether. The payment of life insurance benefits consequently leads to a reduction of the requirements for public or private aid. The social and national advantages of an adequately assured population are clearly apparent; and so on practical as well as moral grounds the efforts of the companies towards the still wider expansion of their services should be encouraged by all interested in the promotion of the public welfare."

Achievement in Public Service

As evidence of achievement in public service possible through life insurance, Mr. Wood drew attention to the fact that Sun Life during 1936 crossed the billion dollar mark in respect of money paid out in benefits to policyholders and beneficiaries since it issued its first policy in 1871. The amount so paid in 1936 totalled $77,000,000.

Reviewing the very marked gains made by the Sun Life during 1936, Mr. Wood drew attention to the fact that the company's assets had again moved forward to a new high figure, the total at the end of the year being $777,000,000—an increase of $70,000,000 over the corresponding figure for 1935 and an actual gain of $209,000,000 or 37 per cent over the total outstanding at the end of 1929. "As assets arise from the premiums paid by policyholders, this increase is also impressive testimony to the value placed by our policyholders on their policies," he said.

Business in Force Now $2,775,000,000

Other gains made by the company included a $39,000,000 increase in business in force on the company's books. This is the first to be recorded since 1931. Total business in force now amounts to $2,775,000,000. "The chief contributing factor to this favorable result is a further marked decline in the lapse and surrender of policies," said Mr. Wood. "No circumstance could more directly reflect the improvement in the financial position of policyholders." He also stressed the importance of policy loan experience in this connection and pointed to the fact that during the year repayments formed a higher percentage of the total loans outstanding than had even been recorded, the total policy loan account being decreased by $4,590,000. "Policy loans," he said, "now form but 11.6 per cent of the total assets, a lower proportion than has been recorded for many years."

After reporting for the second consecutive year an increase in the average rate of interest realized on total assets, Mr. Wood announced the setting up of a special contingency reserve of $10,000,000 and an increase in the company's free surplus over all liabilities, special reserves and capital stock to $18,118,000.

Policyholder Dividends Increased

He then expressed the company's gratification at being able to report an upward revision in the scale of dividends allotted to participating policyholders. The new scale will go into effect on April 1. Shareholder dividends have been resumed after a lapse of several years.

Of major importance also was the announcement that the company had decided to voluntarily increase the proportion of profits to be set aside for participating policyholders. Commencing January 1, 1937, participating policyholders will henceforth be entitled to 97½ per cent of the surplus set aside for distribution from the participating branch. Shareholders will receive 2½ per cent. The former ratio for policyholders was 95 per cent although the amount actually required under the law to be allotted to participating policyholders is only 90 per cent.

Trend of Interest Rates

Mr. Wood devoted a considerable portion of his address to the question of interest rates and the valuation of insurance investments. He expressed the view that though opinion as to the trend in the immediate future was divided, "there are definite signs of a growing conviction among investors that interest rates have reached their low points.

"Whether or not this will prove to be the case, we may say with confidence that interest rates will eventually again move upward," he said. "The inevitable effect will be that the market values of securities yielding low rates will correspondingly fall. This is a matter of concern to institutions whose fundamental character requires the constant acquisition of long-term securities and it emphasizes the appropriateness of the book value or amortization method of valuation for securities acquired as permanent investments."

In moving the adoption of the report, Mr. Wood said:

The Report before you is one which will give great satisfaction to all our members, policyholders and shareholders alike. It will be gratifying also to the public generally, who find in the progress of our leading institutions tangible evidence of business recovery, and returning prosperity.

The marked improvement that has taken place in the past year is sufficiently revealed by the statistics published by governmental and other agencies, as well as the favourable character of the annual reports of financial and industrial institutions. While in some areas served by our organization, recovery is being retarded owing to special or localized conditions, the broad outlook is such as to indicate that a fair general level of prosperity has already been reached, and that continued improvement may confidently be expected.

CO-OPERATIVE CHARACTER OF LIFE INSURANCE

Before proceeding to examine the experience of our Company during the past year, it is appropriate to remark that the report of a life assurance company should be considered not merely as a review of the operations of a large financial corporation, but also with due regard to the fundamental character of the institution, and the purpose for which it was organized.

Life assurance is in effect a co-operative undertaking, operated in the interests of its members. Policyholders, drawn from all classes of society, are brought into co-operation with each other through the agency of the life assurance company, for the purpose of making financial provision against the hazards of premature death or indigent old age. Every expansion of life assurance represents an increase in the numbers of those who assume responsibility for personal or family support at a time when income may be diminished or cease altogether.

The payment of life assurance benefits consequently leads to a reduction of the requirements for public or private aid. The social and national advantages of an adequately assured population are clearly apparent; and so on practical as well as moral grounds the efforts of the companies towards the still wider expansion of their services should be encouraged by all interested in the promotion of the public welfare.

NEW BUSINESS $219,000,000

The marked improvement observed in the general business situation has not yet been reflected in the volume of new assurances secured. Our total paid for business of $219,000,000 closely approximates the figure for the previous year, a result in harmony with the average experience of the companies operating on this continent.

In this connection it may be remarked that the repayment of debts incurred during the depression, the replacement of essential commodities which normally would have been spread over several years, and a pronounced increase in expenditures on luxuries, are still factors which hinder that expansion of life assurance which improved buying power would seem to warrant.

INSURANCE MUST BE SOLD

Another factor of importance is that the reductions in agency personnel which naturally occur from year to year, and which have been accentuated during the depression, have not been fully made good, the unfavourable conditions having been a deterrent to many who under normal circumstances might have joined the sales organizations of the companies. The effectiveness of the agency forces has consequently suffered.

This circumstances is noteworthy, as it clearly shows that, whatever the buying ability of the public may be, life assurance is rarely voluntarily applied for. Expansion essentially depends upon solicitation. Conditions are now favorable for the gradual increase of our agency forces by the addition of carefully selected agents, and this problem is receiving the close attention of our agency officers and managers.

BUSINESS IN FORCE GAINS

A very gratifying feature of the report is the increase of $39,000,000 in the business in force. This, the first increase since 1931, brings the total business in force to $2,775,000,000. The chief contributing factor to this favourable result is a further marked decline in the lapse and surrender of policies. No circumstance could more directly reflect the improvement in the financial position of policyholders.

POLICY LOANS DECLINE

Closely associatied with the movement of assurances in force, is the experience in connection with loans on policies. Policies against which borrowings have been made are more susceptible to eventual cancellation or surrender than policies which are kept free of indebtedness. Reductions in the loans standing against policies are consequently an important contributing factor to the persistency of business.

During the past year, repayments formed a higher percentage of the total loans outstanding than has ever previously been recorded, the total policy loan account being decreased by $4,590,000. Policy loans now form but 11.6 per cent of the total assets, a lower proportion than has been recorded for many years.

In this connection it may be remarked that close attention is directed at all times to the conservation of business, since policies terminated prematurely result in economic waste involving loss both to policyholder and company.

BENEFITS CROSS BILLION MARK

One of the most impressive features of the Report is the item relating to the payment of benefits to policyholders and beneficiaries. The amount paid during the year was $77,000,000, and the total so paid since organization now amounts to $1,046,000,000. Of the death claims paid last year 85 per cent were for amounts less than $5,000, with an average payment of $1,700. The average endowment payment was $1,740.

ASSETS NOW $777,000,000

The assets increased by $70,000,000 during the year, bringing the total to $777,000,000, the highest figure in our history. Since 1929 the assets have increased by $209,000,000, or 37 per cent. This is impressive evidence of the sound and progressive development of the Company during an unusually difficult period. As assets arise from the premiums paid by policyholders, this increase is also striking testimony to the value placed by our policyholders on their policies.

The securities are carried in the statement at their book values. Market values of our securities have now risen to the point where, in the aggregate, they exceed the book values, and the lower figure has been used.

VALUATION OF ASSETS

In this connection it is appropriate to offer a few brief comments on the subject of the valuation of assets. The experience of recent years has clearly demonstrated the unsuitability of the market value method of evaluating a life assurance company's assets for statement purposes. Market values are susceptible to wide fluctuations. In times of great prosperity they are unduly inflated and in times of severe depression they become unduly reduced. In neither of these extreme cases have they an essential relation to the intrinsic value of the securities to which they are applied.

The anomaly of applying them to a life assurance company's assets is accentuated when the purpose for which the securities are acquired is considered. A life assurance company's obligations do not and can not all fall due at any one time. They extend into the distant future and mature in orderly and generally predictable sequence. Its funds must accordingly be kept invested at satisfactory rates of interest and retained to meet these obligations as they become due.

USE OF BOOK VALUES

The value of its invested assets is consequently to be determined not by the quoted prices of a single day, but by their intrinsic worth as permanent investments determined by consideration of security and yield. For life assurance companies the use of book values for well selected and sound securities is the more logical method of valuation.

It more accurately reflects the true position of the company and is a more reliable guide for the determination of surplus available for distribution from year to year. As regards fixed term securities, the experience of the past few years has emphasized the soundness of the amortization method of valuation, which in effect is equivalent to the use of book values.

MORE EXCESS INCOME

The investment of funds is at all times a major problem for life assurance companies. The Report shows that last year the excess of income over disbursements was $60,000,000. Including funds accruing from the maturity, redemption and sale of securities, the total amount to be invested during the year exceeded $108,000,000. Having regard to the present condition of the investment market, and the fact that interest rates have continued to fall and now stand at the lowest level of the century, it will be realized that the problem of investing these funds has been an exacting one.

BOND INVESTMENTS RISE

Since 1931 we have invested exclusively in fixed-interest-bearing securities, principally bonds, with a view to bringing our investment account into more balanced proportions as between the various classes of investment. Our bond investments increased during the year by $90,000,000. New investments were well distributed between government and government-guaranteed issues, carefully selected municipals, and high grade railroad, public utility and industrial issues. At the present time bonds form 42 per cent of our ledger assets; preferred, guaranteed and common stocks 36 per cent; while mortgages, real estate, policy loans and miscellaneous items make up the remainder.

INTEREST EARNINGS HIGHER

The assumption that a fixed minimum rate of interest will be earned on the invested assets is fundamental to the principles on which life assurance is organized. That basic earning power is assumed in connection with every contract issued, and policy guarantees are based upon the presumption that it will be realized. The immediate task, therefore, is to invest at such rates as will at least satisfy these minimum requirements, in order that the terms of the contract may be carried out.

The low rates of interest at present and for some time past obtainable on new investments, are naturally reflected in a gradual decrease in the average rate of interest realized on the total holdings of fixed-interest-bearing securities. This condition has been accentuated by the refunding at lower rates of interest of securities yielding higher returns. In our Company, however, the reduction experienced in the average yield from fixed-interest securities was more than offset by increased dividends on common stocks. We are therefore in a position to report, for the second successive year, an increase in the average rate of interest realized on the total assets.

TREND OF INTEREST RATES

The present low interest rates obtainable on fixed-interest-bearing securities, require that consideration be given to the effect on security values of a change in the general level of interest rates. While opinion as to the trend in the immediate future is divided there are definite signs of a growing conviction among investors that interest rates have reached their low points.

Whether or not this will prove to be the case, we may say with confidence that interest rates will eventually again move upwards. The inevitable effect will be that the market values of securities yielding low rates will correspondingly fall. This is a matter of concern to institutions whose fundamental character requires the constant acquisition of long-term securities and it emphasizes the appropriateness of the book value or amortization method of valuation for life assurance companies whose securities are acquired as permanent investments.

SURPLUS EARNINGS HIGH

The surplus earned during the year was $30,000,000, of which $10,700,000 was realized from the redemption or sale of ledger assets. Mortality, although slightly higher than in the previous year, was again favourable, and a substantial contribution to surplus was consequently realized from this source. Savings from the provision made for the expenses of management and administration, as a result of the economies introduced in recent years, have also contributed substantially to surplus earnings.

Controllable expenses are kept under constant and strict supervision. Among expenses beyond our direct control the largest item is in respect of taxes, which again showed an increase, and amounted to $1,976,000. I have discussed the effect of taxation on the interests of policyholders on previous occasions. It is to be regretted that there are no present indications of a reversal of the upward trend, so pronounced in recent years.

I have already referred to the increase in the average rate of interest realized. This has naturally resulted in a substantial increase in surplus derived from the investment income in excess of that required to provide for policy liabilities.

RESERVES STRENGTHENED

In the allocation of surplus, the security of policy contracts is our first consideration. Accordingly various policy reserves have been increased, an amount of $587,000 has ben added to the reserve for depreciation of real estate and mortgages, bringing the total provision for this purpose to $5,788,00 and a further reserve of $10,000,000 has been set up to provide for special contingencies. The surplus over all liabilities, special reserves and capital stock has been increased to $18,118,000. These various funds not only strengthen the Company further, but are also a source of additional future profit earnings.

The sum of $11,600,000 has been distributed as dividends to participating policyholders.

POLICY DIVIDENDS INCREASED

It is gratifying to report an upward revision in the scale of dividends allotted to participating policies. The new scale which will go into effect on April 1st next, more accurately reflects the contributions to surplus made by the various classes of policies in the light of current experience. Gains from favourable mortality experience and lower expenses result in increases being most pronounced on plans, such as the whole life plan, in which the element of protection predominates and generally on policies at the younger ages and shorter durations.

DIVIDENDS TO SHAREHOLDERS

Shareholders have received no dividends during a period of over four years. It is therefore gratifying to report that a dividend of $3.75 per share has been declared for the quarter ending March 31st, 1937, payable on April 1st.

POLICYHOLDER PROFITS

From its earliest days it has been the policy of the Company to increase the proportion of the distributable surplus allotted to participating policyholders as the growth of the Company has warranted. Under the Insurance Act of the Dominion of Canada at least 90 per cent of the surplus derived from participating policies must be allotted to participating policyholders. For many years the Sun Life has allotted to policyholders 95 per cent of such surplus.

Owing to the continued growth of the Company and the size it has now attained, and having due regard to the interests of all members, policyholders and shareholders alike, the time is now opportune further to increase this percentage. The by-law of the Company relating to the distribution of profits has accordingly been revised and provides that from January 1st, 1937, participating policyholders will be entitled to 97½ per cent of the surplus set aside for distribution from the participating branch and shareholders to 2½ per cent. Shareholders are also entitled to the surplus set aside for distribution from the nonparticipating branch.

PLACE OF POLICYHOLDER

I deem it appropriate, in conclusion, to make a few comments in further explanation of the nature of the relationship of the policyholder with the life assurance company, and his personal interest in its position and successful operation.

From the comments I made in regard to the benefits paid out last year, it is apparent that the great majority of policyholders are people of moderate circumstances, and that the payment of premiums involves the practice of thrift and self-denial. To the policyholder himself, his policy is a personal and family asset. By association with other policyholders he has become a partner in a co-operative and profits-sharing undertaking. Each policy requires the gradual accumulation of a "reserve" from the premiums paid, and this forms a gradually increasing asset to the policyholder himself. The assured thus has a contract which not only guarantees the payment of the sum assured at maturity, but has an immediate cash value according to the plan of assurance chosen and the number of premiums paid. A realistic definition of the assets of a company is that they are the aggregate of these individual life assurance savings of policyholders. The companies do not "own" these funds in the generally accepted sense of ownership; their function is to manage and invest them for the benefit of policyholders.

EFFECT OF LEGISLATION

It will be realized from this brief review that legislative actions which affect the investments of a life assurance company are a matter of direct concern to the policyholder himself. It is important to emphasize this point in view of the measures that have been adopted in some areas for the relief of debtors. It cannot be too strongly impressed on the public that relief or accommodations to debtors of a life assurance company do not fall upon the company in its quality as a financial corporation, but upon the policyholder, as the real creditor. Indulgence to the borrower cannot equitably be granted without a proper regard to the rights of the creditor, who often may be less well circumstanced than the man he is forced in this way to relieve. Many cases of course arise where the need for temporary relief to borrowers is obvious, and life assurance companies have not been unwilling to meet such cases with sympathy and consideration. There is a great difference, however, between sympathetic consideration of those anxious and willing to meet their obligations as their circumstances allow, and forced concessions to those unwilling to meet their obligations.

EVILS OF REPUDIATION

The doctrine that the borrower should at his own will be able to repudiate his undertakings without regard either to his real ability to pay or the effect of non-payment on his creditor, is usually propagated by those who profess most concern for the interests of the common people. Equally they would deny any such concern on the part of the institutions against which their discriminations are aimed, even though such institutions may exist for the very purpose of promoting the public welfare. Any broad extension of the doctrines they sponsor would be damaging to a business whose public services are predicted on its unquestionable security. Such a result would lessen its effectiveness and throw back upon the community a corresponding responsibility.

A SERVICE INSTITUTION

We may look over the past seven years, a period which has severely tested every institution, with much satisfaction. Since 1929 our Company has paid out $626,000,000 in benefits to policyholders and beneficiaries, besides the tremendous loan accommodations which were of untold assistance to thousands of policyholders in a time of great need. These impressive services were carried out fully and promptly. At all times service to our policyholders has been our paramount consideration.

This year our managers from Canada and the United States have been invited to attend the Annual Meeting. During the next three days they will be in conference with the management to consider measures that may be taken to ensure that the Company will play its full part in the further extension of the services of life assurance. On behalf of the Directors and officers I welcome them here, and sincerely thank them for their loyal and efficient services. The achievements of our agency forces all over the world during the past difficult years merit the highest praise, and we would ask the managers here to convey an expression of our appreciation to the agents under their direction. I would like also in conclusion to add to the thanks of the Directors expressed in the Report, my personal acknowledgment of the splendid services of our various staffs in all departments of our organization.

I have pleasure in moving the adoption of the Report.

Statistical Highlights of Directors' Report

Highlights of the directors' report presented at the 66th annual meeting of Sun Life Assurance Co. of Canada at Montreal this week are as follows:

New life assurance policies paid for during the year numbered 70,427 for an amount of $219,966,637.00.

Life assurances in force at December 31st amounted to $2,775,949,087.00.

Life assurance policies in force number 868,583, and in addition 246,284 certificates of assurance are held by employees of firms and corporations on the group plan.

New annuity contracts paid for numbered 4,022, providing for immediate annual payments of $789,506.53, and deferred annual payments, to commence at fixed retirement ages, of $1,755,502.74.

Individual annuity policies in force number 32,403, and in addition 23,678 employees are protected under group annuity plans. Altogether the annuity contracts in force provide for current annual payments of $9,877,046.46 and deferred annual payments of $13,274,465.09.

The total income for the year from all sources was $164,083,595.82. Premiums paid by policyholders amounted to $110,467,150.38. The income derived from investments was $29,883,836.83, and in addition a net profit of $10,703,141.49 was realized from the redemption or sale of ledger assets.

The total disbursements were $103,384,867.70. The excess of income over disbursements was $60,698,728.12.

Payments to policyholders and beneficiaries during the year amounted to $77,489,304.60. The total benefits paid out since organization passed the billion-dollar mark during the year, and now amount to $1,046,104,001.40.

The rate of interest earned on the mean invested assets was 4.29 per cent.

Death claims incurred during the year amounted to 58.1 per cent of the amount provided for that purpose.

The assets now stand at $777,803,539.07.

The bonds and stocks are carried in the statement at their book values, which in the aggregate are lower than market values.

The reserve for depreciation in mortgages and real estate has been increased to $5,788,064.69.

A reserve of $10,000,000 has been set aside to provide for contingencies.

The sum of $11,638,407.85 has been paid or allotted as dividends to holders of participating policies.

The balance of surplus earnings has been applied to further strengthen reserves and increase surplus.

The paid-up capital and balance at credit of shareholders' account total $3,450,303.38.

The surplus over all liabilities, capital stock account, and contingency reserves, has been increased to $18,118,207.61.

Minorities Armed With New Weapon

(Continued from page 13)

the top of the flight, up went a bludgeon and a terse demand was made for a "Union pass."

"We want to see Mr. Haessler," explained Leigh Plummer. But only after Mr. Haessler himself appeared at the stair-head were the newspapermen allowed to pass.

Grim-faced men, nervous women and bawling children milled about strike headquarters. The women were members of the "Emergency Brigade," families of strikers who have supplied them with food and carried on demonstrations outside the plants. All were grimly determined to see the fight through to the bitter end. Those who were lukewarm or who were General Motors employees banded with the "Flint Alliance" in anti-strike activity were far too wise to attempt missionary work there. A cannibal island would be a missionary's haven in comparison.

For the technique of a "sit down" strike does not include displays of mutual affection between the opposing factions. The term implies a passive protest, but it is anything but passive. It is seizure and the effective blocking of all possibility that industrial wheels can turn until the plants are evacuated.

Sabotage Dangers

Why not turn off the light and heat? the anti-striker asks.

The answer is that General Motors tried it in Flint and quickly turned these services on again. There is such a thing as sabotage, and while even the most determined strikers know that to wreck plant machinery means a long period without work when the strike is settled, extreme measures of any kind can be answered with equally extreme measures inside the plants.

Wisely, for humanitarian as well as for other reasons, General Motors supplied heat and light to the captors of its buildings, a mere handful of men acting as spearhead for what was only recently termed an "upstart union," rebel offshoot of the American Federation of Labor. And whether they liked it or not 43,000 other employees were forced out of their jobs through the simple strategy of 1,000 seizing "key" plants where materials vital to the completed automobile were produced.

One thing is certain among all the sinister conditions revealed by the world's first major "sit down" strike. It is that Canada and the rest of the world have not heard the last of it. Its echoes are travelling around the world wherever industry and labor are or are likely to be at cross-purposes. And its methods are being studied with forebodings by those who must combat it.

Already it has made its appearance in other industries, outside the automotive field, but the loss in terms of payrolls, production and profits from the Flint strike alone runs into the billions. The automotive industry is the largest purchaser of rubber, steel, malleable iron, mohair, plate glass, nickel and lead on the North American continent. General Motors, in January, would have produced about 250,000 cars under normal conditions, but its output has been practically at a standstill according to informed sources.

Loss to Industry

Nor is that the whole loss to business recovery. If Flint is any example, a "sit down" strike means closing of shops by merchants unable to operate at a loss, the piling up of personal debts and relief costs for the municipality or state authorities, unpaid taxes, declining bank deposits and insurance payments and the loss of millions in business to the community as a whole.

Could a "sit down" strike be effective in Canada, where Canadian temperament is traditionally more stable than that across the border and where respect for law is generally regarded as further advanced?

It is true that "sit down" methods failed in Windsor, but it would be the height of smug complacency to believe that a "sit down" strike could not happen here.

It has happened—in Alberta, where a "sit down" strike was organized by employees of the Union Packing Co., at Nose Creek, in protest over the dismissal of five employees. Both wage issues and recognition of a local of the Packers and Provisioners Union were involved in the Alberta strike, but it was on a small scale, and its significance has not yet been generally recognized as a sign of the new trend in labor disputes.

It can and it may happen anywhere in Canada unless there is swift and decisive action to prevent it at the moment of the first outbreak. It may prove to be a test of Canadian law enforcement in the interests of "peace, order and good government," and it may cost the lives of those who are charged with the task of keeping the peace. But in the long run it would be worth it.

You would think so too, if you had walked down that silent street in Flint.

TWENTY-FOURTH ANNUAL REPORT
OF

The Waterloo Trust and Savings Company

ASSETS AND LIABILITIES

ASSETS

CAPITAL ACCOUNT		
Office Premises, Waterloo and Kitchener, including Safe Deposit Vault, etc., and Fixtures, Galt and Preston		$ 202,123.85
Other Real Estate		304,835.47
Mortgages		79,301.52
Loans on Securities (including $36,179.00 against the Company's own stock)		220,903.61
Dominion and Provincial Government Bonds	$ 126,746.48	
Canadian Municipal Bonds	19,055.39	
Other Bonds and Debentures	246,286.91	
		392,088.78
Other Assets		65,514.15
Advances to Estates under administration		20,433.11
Due from Guaranteed Trust Account		125,000.00
Cash on hand and in banks		44,626.03
		$1,454,826.52
GUARANTEED TRUST ACCOUNT		
Mortgages (including Agreements for Sale $145,615.75 covering mortgaged properties sold)	5,453,426.33	
Interest due and accrued	204,232.24	
		5,657,658.57
Dominion and provincial Government Bonds	1,237,158.44	
Dominion and Provincial Government Guaranteed Bonds	268,310.04	
Canadian Municipal Bonds	1,356,418.69	
Other Bonds and Debentures	484,702.73	
		3,346,589.90
Stocks		172,523.78
Demand loans against securities		62,397.84
Cash on hand and in banks		405,296.69
		$9,644,466.78
ESTATES, TRUST AND AGENCY ACCOUNT		
Mortgages		505,999.15
Bonds		550,555.50
Sundry Trust Investments		161,751.16
Cash on hand and in banks		181,227.82
Inventory value of unrealized Estates Assets		3,407,459.13
		$4,806,992.76
Total		$15,906,286.06

LIABILITIES

CAPITAL ACCOUNT	
Capital (Paid-up)	$1,000,000.00
General Reserve	200,000.00
Investment Reserve	200,000.00
Dividend declared (Paid Jan. 2, 1937)	25,000.00
Provision for Government Taxes	13,667.76
Profit and Loss	16,158.76
	$1,454,826.52
GUARANTEED TRUST ACCOUNT	
General Guaranteed Investment Receipts	3,870,441.38
Trust Deposits	5,649,025.40
Advances from Capital Funds	125,000.00
	$9,644,466.78
ESTATES, TRUST AND AGENCY ACCOUNT	
Trust Funds for Investment	1,379,100.52
Advances from Capital Funds	20,433.11
Inventory value of unrealized Estates Assets	3,407,459.13
	$4,806,992.76
Total	$15,906,286.06

DIRECTORS

President
E. F. SEAGRAM
Waterloo

Vice-Presidents
F. S. KUMPF, Waterloo
LOUIS L. LANG, Galt

HENRY KNELL, Kitchener
R. O. McCULLOCH, Galt
W. L. HILLIARD, M.D., Waterloo
H. J. SIMS, K.C., Kitchener
THOS. W. SEAGRAM, Waterloo
GEORGE A. DOBBIE, Galt
F. HALSTEAD, Waterloo
W. H. SOMERVILLE, Waterloo
P. R. HILBORN, Preston
P. V. WILSON, Managing-Director
THOS. HILLIARD, Waterloo

OFFICES
Waterloo - Kitchener - Galt - Preston

Building Men and Forests ~ ~

Unemployed Youths in British Columbia Get Training in Forestry and Living Allowance As Province Launches Conservation Programme

By T. CARBERT

FORESTER

E. C. Manning is British Columbia's chief forester and the man responsible for administration of the training and work programme for young men by means of the Forestry Service.

At 60 miles an hour the pleasant farm lands of the Ontario countryside glide past; the vista from the train window changes to rolling western prairies, and then in panoramic review loom the mountains of British Columbia.

Suddenly the unfolding picture is interrupted. There are acres of blackened tree stumps, ghostly legions of dead, broken grey trees and mile upon mile of fire-swept ground where British Columbia forests once stood.

From the comfortable chair of the observation car it is merely a depressing change of scenery. The traveller turns again to his book—for there is no eye-filling beauty in the swath cut by lumber companies and fire through areas that once supported towering pine and fir trees. These areas no longer support life and payrolls. They do not pay taxes. They provide no employment for Canadian youth and they hold no attraction for the tourist, hunter, fisherman or settler. They are lost to all usefulness.

Are they, then, worth a second thought?

If E. C. Manning, chief forester of British Columbia happens to be sitting in the next observation car seat, the answer will be an emphatic, "Yes." He is a prime mover in the most unusual scheme yet developed to conserve both the forests of British Columbia and the youth of that province.

Mr. Manning's "Yes" is not an opinion. It is an answer based on the actual result of an experiment which has proved a success in British Columbia and may eventually become a part of a wider national policy of Canadian interior economy. It is the multiple use of forest resources for the benefit of industry, the youth of British Columbia, the Government and taxpayers of B. C. and the development of tourist trade, game, fish, fur and other natural resources of the Pacific Coast province. Far from being an idealist's dream, it is paying its way under experienced, non-political administration.

On a Business Basis

Old-time bushwhackers might pour contempt on the idea as effete and another example of pampering paternalism of government. Lumberjacks, long used to the rough and ready hell-raising life of the backwoods, might laugh.

But in British Columbia, the two years experiment of combining forest conservation and absorbing single unemployed Canadians into what is virtually a practical summer course in forestry—and making it pay—is no laughing matter. It is a unique and successful method of solving two important economic problems by sound business and administrative methods and sympathetic handling and training of young men. It is going a long way toward reviving the traditional pioneering spirit among young Canadians.

Until the early summer of 1935 the forestry service of British Columbia operated in much the same way as similar services in other provinces. Fire rangers, conservation experts and administrative officials charged with the care of British Columbia's chief asset—its timber—were quietly going about their business.

But in 1935 unemployment in British Columbia was still a threat to the economic and social structure, although it was less acute than in the earlier stages of the depression. The Government, however, turned to the development of its forest resources as a useful medium of employment, through the Forestry Service of the province. The forestry branch consequently embarked on a bigger task than it had ever tackled before. It hand picked young British Columbians, reasonably well educated, sent them to forestry training stations and later into the woods under experienced foremen and fire rangers, vastly extending the scope of the normal forest conservation work of the service.

Training in Forestry

On the surface the scheme seemed to some to be a smoothly arranged measure of ridding the cities and towns of their unemployed single men and shifting these to the bush where they could be handled with greater discipline and, if necessary, with greater firmness.

But any misconception of that kind was quickly removed by subsequent events. The young men chosen for the work and its accompanying training were not the anti-social type, nor were their foremen and instructors without full qualification for their task. On the contrary, young men went into the work because they were eager to go and when the next summer season of 1936 came around those who were still unemployed were even more eager to return to the camps.

The reason was that under sympathetic and experienced supervision, the men had taken a new lease of life, their hopes had revived and they felt that at last there was something to work for, to learn and much that could be accomplished from the training in forestry work given. Then, too, they were earning money.

Government Grant

In May, 1935, the Labor Department of the B. C. Government allotted $100,000 to the Forest Branch for the employment of these young men, with the object of assisting in fitting them for jobs in the industries of the province, and as an experiment in relieving unemployment and reducing relief costs.

The Labor Department selected the men, preference being given to those between 21 and 25 years of age, although the minimum age was later reduced to 18. The other requirements were physical fitness, need of work, residence in B. C. for some years and partial high school education.

The programme of 1935 enabled 380 young men to be employed, with 30 additional foremen and cooks, until the end of September. The men were paid $1.75 a day, less 75 cents a day board and they were able to net around $15 to $20 a month. The Department of National Defense co-operated in the plan with the loan of tents and equipment, and equally important to the success of the experiment was the co-operation extended by the B. C. Department of Labor to the Forestry Service as the administrative agency for the project.

Foresters and fire rangers are men of the outdoors. They have no use for petty restrictions and red tape, nor for the half-baked theories of back-alley agitators and disturbers. The nature of their work was itself the best guarantee of the type of foreman who would have charge of the young city-bred forestry novices in the woods. The foremen and rangers, it may be noted, were chosen entirely on the basis of their experience and their ability to handle men in a common-sense, sympathetic manner.

Recreation

The embryo foresters from Victoria, Vancouver and other Pacific Coast cities appreciated these facts and went to work with a will, but they still had plenty of time for athletics, swimming and most of the other pleasures of any well-managed summer camp for young men. In addition, they received practical instruction and training in forestry work—and were paid for it. The work was divided into forest experimental station work, forest trail improvements and assistance to the regular force of forest rangers.

Little known to most of these young men was the fact that a forest ranger is something more than a man who patrols the trails. The Sherwood foresters of England and the foresters of the Black Forest in Germany are world famous, with traditions equal to those of the most romantic vocations of the middle ages. The young British Columbians quickly discovered a new, intensely interesting, healthy and profitable life under conditions far superior to those in relief-ridden cities.

Three main experimental stations in British Columbia, at Cowichan Lake, Aleza Lake and the nursery at Green Timbers, were first used as clearing stations from which men were forwarded to the trail crews. Finally about 160 men were allotted to the three stations, 130 men were distributed among 16 trail crews throughout the province and 90 men were allocated as assistants to the regular forest rangers.

A Timber Country

Four fifths of the productive land in British Columbia is suitable only for the growing of timber. And timber is a crop in exactly the same way as wheat, barley or oats. If it is conserved as a crop it becomes a valuable producing asset. If it is considered in the same way that gold mining is considered—to be mined, cut or used without replacement—it is a wasting asset and a loss to future generations.

"Timber," Mr. Manning explains, "as a crop is renewable and requires protection. Forest experimental stations perform the same service as experimental stations do in agriculture. Our B. C. forest lands, especially in the lower coast region, where our industry is centralized, must be kept productive since from that area comes half the lumber cut in the whole of Canada. These forestry stations are bringing returns."

The fact is that British Columbia's forests are her greatest asset. The value of forest products in the province during 1936 on the basis of present estimates of production will be around $68 millions, or about $15 millions in excess of the value of mining production, the second largest industry of B. C.

Why Conservation?

But, it is asked, why spend money on forest conservation when there are about 262 billion feet of timber standing in British Columbia forests, without considering new growth; enough to last 90 years at the present rate of cutting?

But timber must also be measured in terms of distribution and marketability. The cost of cutting it and hauling it to markets may be prohibitive over wide areas of forest growth, and the more accessible and productive forest areas must, nevertheless, be kept literally "under crop," or in other words in a continually productive condition.

Scientific forestry and fire-prevention work are necessary to combat the losses from cutting and fire among timber tracts in British Columbia where marketable timber is growing. All over-cut lands do not "come back" of their own volition, any more than wheat will grow without being seeded, and replanting of cut-over or burned forest areas is an expensive process, costing from $10 to $15 an acre in B. C. The securing of natural regeneration of these and other areas by proper forestry measures is the solution at low cost.

Forest conservation as it is being carried out in British Columbia has other purposes however. Adequate timber shelter on the banks of streams and rivers is highly beneficial to fish propagation and feeding and new crop timber in areas cut or burned is essential to food and shelter for game and fur-bearing animals, and to attract the profitable tourist trade of summer months. The application of forest development policies is again the answer, although even more direct benefits are obtained from the forest service of B. C. which yields an annual revenue to the Provincial Government of about $3 millions from collection of stumpage dues, royalties and timber rentals.

Programme is Enlarged

Success of the forestry work and training in this type of development, and including maintenance of telephone lines and trails during 1935 led to its extension in 1936 to include between 400 and 500 young British Columbians compared with less than 400 in the previous year.

Of that total fewer than half a dozen had to be returned to their home cities as unsatisfactory. More than one begged for a chance to return to the camps and continue practical forestry training and the work of tree felling, bridge building, trail making and other duties assigned to the camps and trail crews.

This year the number will be larger, it is expected, since the Government of B. C., officials, public, and young unemployed men are said to be solidly behind the scheme of summer forest work and a plan which aims at rehabilitating unemployed youths on a basis that gets results for the money spent.

Industry, too, is getting its share of the benefits. Logging and milling concerns in B. C., experiencing a revival of demand for lumber products at higher prices are absorbing some of the men from the camps each year. As conditions improve there should logically be a rising demand for this type of trained men.

Winter Camps Inaugurated

Similar in some respects to the Civilian Conservation Corps plan in the United States, which employed some 250,000 as a start several years ago and subsequently increased the enrolment, the B. C. forestry project has adopted some of the best features of the U. S. scheme.

This winter the whole scope of the B. C. plan was enlarged to include single unemployed men for winter work through a programme sponsored jointly by the Federal and Provincial Governments. Ordinarily idle and on relief during the winter, about 2,000 men have already been absorbed for forestry and work camp projects.

These are somewhat different, however, to the summer forestry camps of the last two years. Designed to provide winter employment, weather conditions necessarily limit the scope of work available and the men cannot be given practical training in forestry as in the summer camps. Instead, as an unemployment relief measure the winter camps have a different set of problems to face and while valuable road development and forestry work are being done, new problems have appeared, and some of the winter camp workers are agitating against the wage being paid. Transient single unemployed have been absorbed in these projects, for which they are paid 30 cents an hour, and charged 75 cents a day for board. After being paid enough for clothing and personal needs a "holdback" in wages of $4 a week is made to enable them to support themselves on their return to the cities, some time around the end of March or April.

In contrast to the generally satisfactory conditions existing in the summer camps, efforts were made by some of the winter camp workers to organize a "sit down" strike scheduled for Feb. 1, unless their remuneration is raised to 40 and in some cases 50 cents an hour and the "holdback" arrangement abandoned. Labor department officials have threatened to close the camps and refuse relief in any form as an answer to a strike.

A Significant Contrast

This contrast with results of the experiment in summer forestry camps is significant. In both cases the Government, through the Forestry Service, is attempting to aid the men concerned, not on the ordinary employer-employee basis, but as a means of rehabilitating British Columbia's youth on a somewhat more generous basis than that provided a year ago when the Department of National Defense paid 20 cents a day and board to men on similar relief work projects.

But at the moment the situation is that men chosen for the summer work with forestry and practical training, organized sports and recreations, swimming and the privilege of living in well-kept camps, with good food and sympathetic supervision, are anxious to come back to these camps in 1937 if they are still unemployed.

Workers in the winter camps lacking training but living under conditions which are notably better than relief work camp conditions, are brandishing the strike weapon in a fight for more "wages."

It is a highly revealing situation.

The B. C. summer forestry training experiment is being closely watched in other provinces and it is possible that federal authorities may utilize some of its features should a nation-wide adaption of the scheme be considered as part of the national employment programme. In the case of the B. C. winter camps, the significant fact is that winter conditions impose restrictions on forestry work, and the majority of men employed on these projects are of a different educational standard to those chosen for the summer camps.

Adapting The B. C. Plan

Can the best features of each type of camp be adapted for use in other provinces?

Mr. Manning, whose driving power and sympathetic view of the difficulties of training new men in forestry work has had much to do with the success of the summer camps, does not attempt to answer that question.

"It is a success in British Columbia," he says, referring to the accomplishments in training men and developing forest resources in the last two years. "It is increasing the value of our forest wealth, training young men who might otherwise be idle and on relief, and we are getting results, both economic and in social rehabilitation, for our money."

But there is a particularly emphatic note in one remark of Mr. Manning. "We are doing this work with experienced foresters, sympathetic to the problems of the men under their charge—and entirely free from interference of any kind."

And that might be a valuable example to Federal or other Provincial Governments which seek to benefit from the successful experiment in British Columbia where both youth and natural resources are being conserved on a paying basis. Mr. Manning didn't say so but the results speak for themselves.

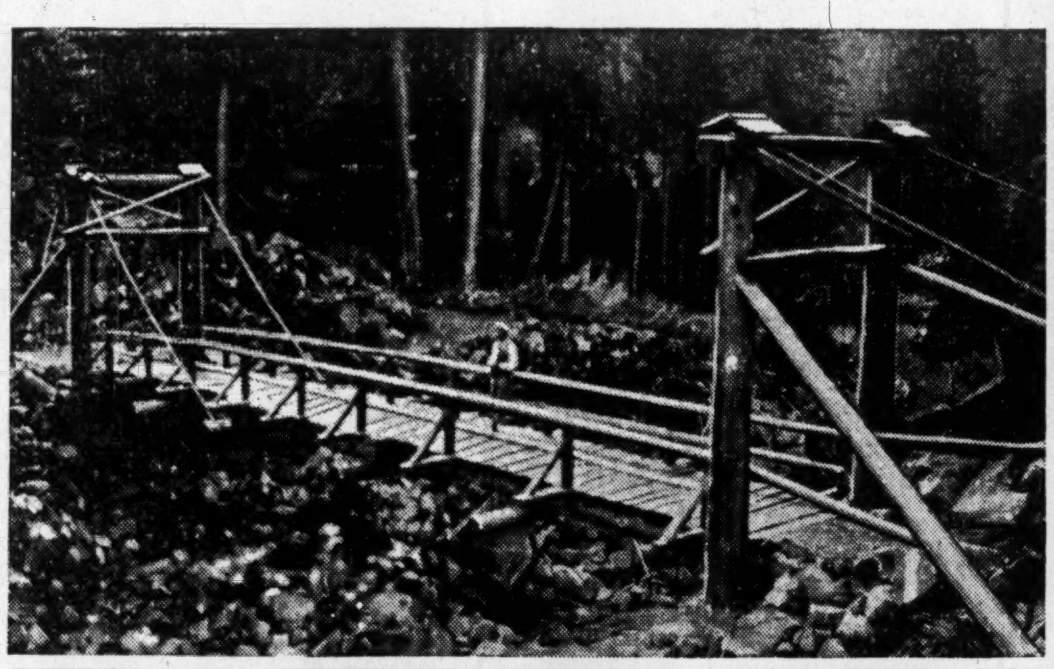
Mr. Manning is an Ontario boy from Peterborough county. He is a son of the late Wellington Manning and a graduate in forestry of the University of Toronto. He comes from a line of tall, muscular men, in whom courtesy, reticence and generous instincts are ingrained qualities.

Forest Resources Are Worth Saving

"Many people are inclined to place a false interpretation on figures of timber wealth, which results in turn in failure to realize the need of forest conservation policies.

"We estimate in British Columbia a total of 262 billion board feet of mature timber. With an annual cut of three billion board feet, one might estimate that the supply would last about 90 years without taking into consideration other factors, including young growth and fire losses.

"However, almost as important as the amount of standing timber is its distribution, accessibility and marketability. There are large areas too remote to be considered available for industrial purposes. Half the lumber cut of the whole of Canada is at present coming from a comparatively small area on the south coast region of British Columbia. This is an example of probably many other areas in Canada which are particularly accessible and where growing conditions are ideal. Every effort should be made to keep such areas under forest crop."—*E. C. Manning, Chief Forester of British Columbia.*



FORESTRY TRAINING

Above is shown a 70-foot suspension bridge constructed entirely from hewn wood by a trail crew working under the direction of an experienced forestry foreman. These and similar projects are part of the work programme carried out in connection with the summer forestry training camps of British Columbia.

(Centre) Young, single unemployed men from Pacific Coast cities make up the trail crews.

(Lower) Aleza Lake forestry station, where young British Columbians receive practical forestry training. The station shown above is about 45 miles from Prince George in the northern interior district of British Columbia. About 50 Vancouver men are housed there.

"Homeless Adults" Worth Saving Too

"Additionally, as a result of the studies made by the Youth Committee, attached to the National Employment Commission to study youth problems, reconditioning plans both for physical reconditioning and training, have been worked out. These plans have been approved in principle by the minister and it is hoped with provincial co-operation they can be put into use promptly.

"It is quite evident that this reconditioning work must be an integral part of our plans, because of the long continued idleness of so many citizens, young and old.

"Another immediate practical problem . . . . was the absorption in winter employment of the thousands of single homeless adults who were congregating mostly in western cities as a result of the abandonment of the policy of maintaining National Defense camps. As a result of Commission recommendations, an offer was made by the Dominion Government to the provinces to participate in the cost of plans to place homeless adults in jobs during this winter, provided primary product industries were in question." — *Arthur B. Purvis, chairman of the National Employment Commission, addressing the Canadian Club in Montreal.*

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Editorial

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Canada's Relief Load

The following figures show the numbers on relief rolls in Canada since the beginning of 1933, the first column excluding the dried out areas, the second column giving the number in the dried out area.

HEADS OF FAMILIES

1933—		
January	245,853	12,064
February	259,799	16,273
March	286,847	18,992
April	267,803	16,310
May	241,176	12,320
June	225,913	9,563
July	207,908	9,657
August	202,363	2,080
September	197,623	8,867
October	207,362	11,686
November	210,665	26,330
December	227,447	31,108
1934—		
January	236,605	34,775
February	248,183	35,491
March	257,503	33,837
April	236,990	31,331
May	223,964	33,575
June	201,246	33,168
July	181,790	32,626
August	186,158	31,866
September	186,406	19,827
October	197,423	30,174
November	196,712	33,210
December	212,943	32,908
1935—		
January	240,193	33,579
February	240,051	33,985
March	252,889	34,291
April	244,862	32,958
May	234,939	31,388
June	216,742	30,115
July	206,137	29,541
August	194,019	28,986
September	210,720	3,474
October	215,290	6,850
November	205,330	18,761
December	220,921	23,619
1936—		
January	236,039	27,054
February	252,376	28,908
March	255,788	29,560
April	238,344	27,379
May	215,560	21,252
June	196,198	19,574
July	185,846	19,884
August	175,836	19,261
September	177,303	19,215
October	192,016	29,932
November	195,262	29,286
December	207,167	29,306

Monthly relief costs for Dominion, provincial and municipal governments since the beginning of 1933 have been as follows:

	1933	1935
January	$5,854,039	$8,177,436
February	6,246,092	7,771,800
March	6,404,775	8,102,779
April	6,461,023	7,771,279
May	6,009,676	7,296,373
June	5,306,342	6,391,689
July	4,909,357	6,329,769
August	5,027,505	6,507,505
September	5,071,829	5,189,432
October	5,490,893	6,079,792
November	6,926,350	7,319,939
December	7,208,913	7,333,678
	1934	1936
January	7,186,661	7,691,353
February	6,990,333	8,002,287
March	7,652,791	8,496,496
April	6,831,962	7,220,501
May	6,586,004	6,252,063
June	5,574,570	5,793,871
July	5,182,379	5,517,562
August	5,297,812	5,238,842
September	5,217,604	5,627,975
October	6,177,052	6,117,781
November	7,479,093	6,758,882
December	7,614,873	7,550,563

New Books

Investing for Profit

Charles J. Collins Tells Investor How to Capture Fortune That's Before Him

FORTUNE'S BEFORE YOU. By Charles J. Collins. Published by McClelland and Stewart, 215 Victoria St., Toronto. Price $2.25.

Mr. Collins should have written and published this book four years ago. Had it come out at that time more people would today be in possession and enjoyment of substantial investment profits earned as a result of taking his advice. Mr. Collins "called the turn" of the market in 1932 and since June of that year has been a pretty consistent bull.

As head of Investment Counsel, Detroit, he and his associates advise on and manage for clients investments running into nine figures. An affiliated company produces a weekly investment letter which is particularly noted for its clarity and simplicity. Mr. Collins, as a persistent follower of the Dow-Jones theory of stock market operation, often keeps his clients and readers in a state of mild impatience while he waits quietly for the positive signs that enable him to advise buying or selling with complete confidence in the immediate or long-term trend. He is not the type of investment adviser who can always say what tomorrow's market will do. But he is a better one by reason of that fact.

His book is a specific guide for the investor who is already informed on different types of securities. It is neither a primer nor a scientific textbook. It is distinctly a contemporary document for Mr. Collins goes so far as to select today's bull market leaders and he discusses conditions that bear upon current market conditions. He does not consider that the general recovery that got under way in the United States in 1932 has run its course; in fact he presents many reasons for his belief that it has a long way to run.

Mr Collins starts off with a general statement of ideal investment policy. It is as follows:

"Earmark half of the total fund to money bonds and, year by year, continue this portion in this same type of instrument, shifting from the long-term to the short-term issue according to the broad trends of interest rates. Earmark the second half of the fund to common stocks, purchasing such instruments when a primary or long-range up movement in trade and price is established and disposing of all such issues when this trend culminates, or is at a point of reversal into a broad contraction in trade and prices. During periods of trade and price contraction, common stock funds should be retained in short-term money bonds."

However this is nothing more than a starting point and Mr. Collins breaks the investment problem down into segments of constantly diminishing size until he presents the investor with answers to most of the worries he has to contend with.

Invest, Despite War Threat

Mr. Collins advises the investor not to let Europe's war threats keep him out of securities. "So long as domestic conditions seem favorable, let him accept the European threat as one of the inevitable risks that must go with the holding of stocks, rather than as an absolute barrier to long positions. The negative attitude would have prevented the purchase of stocks throughout most of the advance that has been witnessed since the summer of 1932."

Particularly for the seasoned common stock investor this is a book of exceedingly great interest and value. Not the product of a theorist or amateur it deals with investments, and particularly with the difficult problems of when to buy and when to sell, with a rare authority that is derived from experience.

Montreal Power Output Records Gain in January

MONTREAL. — Montreal Light Heat and Power Cons. reports a further increase in electric output figures.

Last month the company had an output of 101 million kw.h., as against 98 million kw.h. in Jan., 1936, an increase of 2.05%. These figures do not include secondary or export power.

Gas output decreased by 3.06% in January, when production totalled 421 million cubic feet as compared with 434 million cubic feet during the same month last year.

N.B. May Revive Slum Clearance

From Our Own Correspondent

SAINT JOHN.—Requests that it take the New Brunswick Housing Act down off the shelf, dust it off and make it operative are being considered by the Provincial Government.

Drafted along slum clearance lines the measure was put through by the Tilley Government at the 1935 session of the Legislature. A few months later the Tilley administration was defeated. The Dysart Government took office and shelved the act.

Acting on behalf of the Government Hon. Dr. W. F. Roberts, minister of health and labor, has now asked the Saint John city council whether it would consider implementation of the statute an important factor in alleviating the unemployment problem. A delegation from Saint John will meet the provincial cabinet soon to give its answer.

The act provides that province and any participating municipality would contribute equally to a fund to be administered by a commission. Loans at low interest rates would be advanced from this fund for renovating substandard housing, chiefly of the tenement variety.

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COMPARATIVE FIGURES

	December 31, 1931	December 31, 1936	Percentage Increase
Capital Assets:	$ 267,819.99	$ 754,357.84	182
Guaranteed Trust Assets:	221,749.50	1,773,584.93	700
Estates Assets:	1,912,166.85	11,535,896.18	503
Total Assets Under Administration:	2,401,736.34	14,063,838.95	486

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING FEBRUARY 8

Range 1937 High	Low	Div R'te $	Feb.6 Y'ld %		Sales	Last Feb. 1	Week end. Feb. 8 H	L	Cl'se
				A					
10¼	6⅞	.	...	Abitibi	25877	8½	8⅞	7⅞	7⅞
57	41½	.	...	Do. pref. 6%	6084	51½	52	49	50
85	70	.	...	Do. pref. 7%	....	(— bid 86 asked)			
56	41	.	...	Do. cert. dep.	2565	51	51½	48½	48½
5⅞	5½	10c	...	Acadia Sugar	50	5⅞	5½	5½	5½
18½	16	50c	3	Acme Glove	60	17½	18	17	17
94	93	6.50	6.9	Do. pref.	....	(— bid 92 asked)			
12	8½	40c	4	Agnew Surp.	95	10½	10	10	10
110	107	7	6.5	Do. pref.	5	110	107½	107½	107½
7	4½	.	...	Alta. Pac. Gr.	465	6	6¼	5½	5½
43½	28	.	...	Do. pref.	40	38	38½	36	36
116	116	.	...	Aluminum	....	(116 Jan. 7)			
6	5	.	...	Amal. Electric	200	5	6	6	6
31	29	.	...	Do. pref.	....	(31 bid — asked)			
35⅞	33½	60+40c	...	Amer. Cyn. B.	1300	34½	33⅞	33½	33⅞
54	53	3.50	6.5	Ang. C. Tel., pf.	70	54	54	53	54
112	95	.	...	Asbestos	687	104	105	101½	101½
13	11	60+25c	...	Assoc. Brew.	260	12½	12⅞	12½	12½
110½	110½	7	6.3	Do. pref.	....	(— bid 110½ asked)			
†8½	7½	.	...	Assoc. T. & T.A.	....	(— bid 8⅞ asked)			
†57½	34	42c	...	Do. pref.	....	(54 bid — asked)			
102½	102½	.	...	Ault, Wiborg p	10	..	102½	102½	102½
				B					
60	57	2.25	3.8	Bank of Canada	401	58	59	58	58½
155½	143	8	5.2	Bk. Can. Nat.	76	154½	155½	155	155½
245	219	8	3.3	Bk. Montreal	294	236	245	235	240
340	312	12	3.5	Bk. N. Scotia	66	338	340	332	335
270	260	10	3.7	Bk. Toronto	28	265	267	265	265
†13½	4½	75c	...	Barcelona	....	(4 bid 9 asked)			
20½	17½	.	...	Bathurst Pr.	3387	19	19½	18	18
8½	7½	.	...	Do. (B)	1370	8	8½	8	8
5⅞	3⅞	.	...	Bawlf Grain	450	4½	4½	4½	4½
38	26½	.	...	Do. pref.	30	35	31	30	30
10	4⅞	.	...	Beath & Sons	10	7½	4⅞	4⅞	4⅞
21½	17½	.	...	Beatty Bros. A	255	18	19	18½	19
106	100	6	5.7	Do. pref.	30	106	106	106	106
10	6½	.	...	Beauharnois	12888	7⅞	8⅞	8	8
107	107	4	3.7	Belding Cort.	30	107	107	107	107
130	126	7	5.4	Do. pref.	....	(130 Jan. 31)			
178	159	6	3.6	Bell Telephone	915	173	170	163	165
14½	13½	.	...	Biltmore Hats n	775	14½	14	14½	14½
110	110	7	6.4	Do. pref.	....	109½ bid 113 asked			
8⅞	8½	.	...	Bissell, T. E.	....	(9 bid — asked)			
46	45	.	...	Do. pref.	....	(46 bid — asked)			
6½	4½	.	...	Blue Ribbon	....	(4 bid 5 asked)			
40	35	2	5.6	Do. pref.	20	36	36	36	36
26½	25⅞	32½c	..	Brant. Cord. pf.	10	25⅞	25⅞	25⅞	25⅞
24⅞	18½	40c	..	Brazilian Tr.	61847	23½	24⅞	23⅞	24⅞
9	7½	1♦	...	Brew. & Distil.	436	8½	8½	8	8
4	2⅞	.	...	Brewing Corp.	7105	3½	3½	3	3½
20½	14½	1.50	8.1	Do. pref.	525	18½	19	18	18½
6	6	30c	5	Bright, T. G.	....	(— bid 6⅞ asked)			
†82	75½	6	...	Do. pref.	....	(75½ bid — asked)			
25½	22½	80c	3.2	Brit. Amer. Oil	15614	25½	25⅞	25½	25½
19	17½	.	...	B. C. Packers	892	17½	18½	17½	17⅞
39½	37½	1.60	4.3	B. C. PowerA.	534	38	38½	37½	38½
11½	10	.	...	Do. (B)	161	10½	10⅞	10	10½
12	7½	40c	3.6	Bruck S. Mills	1706	10½	11½	10⅞	11
66	56½	1.40+50c	...	Building Prod.	505	63	64	62	63
8	6⅞	.	...	Burry Biscuit	300	7	6⅞	6⅞	6⅞
†75	51	3	4.6	Do. pref.	....	(60 bid 70 asked)			
44½	41½	2	4.6	Burt, F. N.	250	43	43	41½	43
				C					
†120	120	.	...	Calgary Power	....	(120 Sept. 28, '36)			
85	79	6	7	Do. pref.	10	80	85	85	85
10½	8	.	...	Canada Bread	904	9⅞	9⅞	8½	8½
103	102½	5	4.8	Do. pref.	40	103	103	103	103
58	51½	62½c	..	Do. pref. B.	50	57½	58	58	58
10½	8½	40c	...	Canada Bud	355	9½	9½	9	9½
16⅞	15½	.	...	Canada Cement	6750	16	16½	15½	16
108	103	1	...	Do. pref.	487	106½	108	106½	107½
68½	68	1.50+2	..	C. & D. Sugar	120	68½	68½	68	68
b32⅞	27½	.	...	Canada Dry	29300	29	30⅞	28⅞	28⅞
20⅞	18½	.	...	Can. Forg. (A)	135	19½	19½	19½	19½
17	14	.	...	Do. (B)	10	15	15	15	15
30	30	.	...	Can. Iron	....	(30 bid — asked)			
66½	66½	3	4.5	Do. pref.	....	(67 bid 75 asked)			
37½	34	1.50+50	..	Can. Malting	1260	37½	37½	37	37
29½	26½	1.20	4.2	Can. Nor. Pr.	326	26½	28½	26½	27½
111	109	7	6.4	Do. pref.	44	110	111	110	110½
91	86	3	3.3	Can. Packers	335	87	91	87½	91
†118	105	.	...	Can. Paper, pf.	....	(112½ bid — asked)			
7	1½	.	...	Can. Paving, pf.	....	(3 bid 6 asked)			
155	146	8	5.2	Can. Perman.	39	155	155	154	154
25	25	.	...	Can. Starch	....	(25 bid — asked)			
†95	95	7	...	Do. pref.	....	(100 bid — asked)			
4	2½	.	...	Can. Steamsh's	235	3½	4	3	3
6½	6½	.	...	Do., new	65	..	6½	6½	6½
10	6⅞	.	...	Do. pref.	615	7	7½	7	7½
21	19	1.20	6.2	Can. Vinegars	335	20	20	19	20
63	58	.	...	Can. W. Cable	20	61	63	63	63
29	19	.	...	Do. (B)	100	25	25	24⅞	25
115	115	1.75▲	...	Do. pref.	....	(115 Jan. 22)			
6	5½	.	...	Can. Bakeries	....	(6 bid 8 asked)			
73	67	.	...	Do. pref.	....	(69 bid 71 asked)			
211	183	8	3.9	Can. Bk. Com.	224	203	206	205	205
61½	58	1+75c	3	Can. Bronze	580	58½	60	58½	60
108	105½	5	4.7	Do. pref.	....	(107⅞ bid — asked)			
9	8	.	...	Can. Canners	240	8½	8⅞	8½	8½
20½	19½	.	...	Do. 1st pfd.	720	19⅞	20	19½	20
12½	10⅞	.	...	Do. 2nd pfd.	950	11½	11½	11	11½
21⅞	18½	.	...	Can. Car & Fd'y	8282	20	20½	18⅞	18⅞
32	28	.	...	Do. pref.	2920	31	30⅞	29½	30½
27⅞	24⅞	40c	...	Can. Celanese	2247	26½	27⅞	26½	27½
125	122	7	5.7	Do. pref.	93	122	125	122	122
21½	21	.	...	Do. Rights	75	21	21½	21½	21½
32	29	2	6.7	Can. Convert.	50	30	30	30	30
71	65½	4	5.6	Can. Cottons	....	(69 bid — asked)			
108	105	6	5.7	Do. pref.	5	108	105	105	105
46½	43	2+1	6.8	Can. Dredge	380	44	44½	43	43½
101	101	6	5.9	Can. Fairb. pf.	....	(101 bid — asked)			
30	26	1.60	5.4	Can. For. Inv.	558	28	30	27	29½
107	107	8	7.5	Do. pref.	....	(107 bid 112 asked)			
†205	150	5	2.4	Can. Gen. Elec.	....	(206 bid — asked)			
11½	9⅞	50c	...	Can. G. Inv.	105	11	11½	11	11
81½	72⅞	.	...	Can. Hyd. E. p.	1582	80	80	77½	79
8½	6½	.	...	Can. Ind. Alc.	9108	6⅞	6⅞	6½	6½
7½	5⅞	.	...	Do. (B)	1788	6⅞	6	5⅞	6
243	240	3.50	...	Can. Indust. B.	....	(— bid 242 asked)			
5	3½	.	...	Can. Int. I. Tr.	605	3½	4½	4½	4½
93	93	2.50	...	Do. pref.	75	93	93	93	93
21	19	1	5.1	Can. Lt. & Pr.	10	19½	21	21	21
23½	17	.	...	Can. Locomo.	465	21½	21	19	19
3½	1⅞	.	...	Can. Marconi	16170	2⅞	2⅞	2½	2½
19	14	50c	3.1	Can. Oil	90	16½	16	15⅞	15⅞
135	126	8	6.2	Do. pref.	15	130	130	126	126
17½	14½	.	...	Can. Pacific	52316	15⅞	17½	16½	16⅞
7⅞	5	.	...	C. Pr. & Pa. In.	489	6½	6½	6	6
27½	18	.	...	Do. pref.	4	20	21	21	21
16	12⅞	.	...	Can. Vickers	725	14	14	12⅞	14
65	53	.	...	Do. pref.	40	57	60	57	60
†30½	24	1.25	...	C. Wallpaper A.	....	(25 bid 30 asked)			
27½	25	1.25	...	Do. (B)	5	27½	25	25	25
†80½	64	2	...	Can. West'ho'se	....	(65 Dec. 6, '36)			
4	2½	.	...	Can. Wineries	310	3	3½	3½	3½
25	23	1.50	...	Can. Wire Box	50	25	24	24	24
9.50	7.50	.	...	Capital Estates	107	7.80	7.75	7.50	7.50
104½	103½	5	4.8	Carnation, pfd.	15	104½	104½	104½	104½
10	6⅞	25c	...	Catelli Food	388	8	10	8	10
11½	10	75c	...	Do. pref.	190	11	11	10½	10½
†165	150	8	...	Cent. Can. L'n.	....	160½ bid 190 asked			
1.44	1.20	.	...	Chem. Research	4900	1.25	1.26	1.20	1.25
1.80	1.25	.	...	City Gas & El.	....	1.50 bid 1.75 asked			
.80	.40	.	...	Claude Neon	3775	.55	.70	.55	.55
13½	12½	1.08	8.3	Coast Brew.	100	13	13	13	13
17	14½	.	...	Cockshutt Plow	12430	15⅞	16⅞	15⅞	16⅞
4	2½	.	...	Comm. Alcohol	1170	3½	3½	2⅞	3
21½	20½	80+20c	..	Cons. Bakeries	2480	25½	21½	20½	21
18½	10⅞	.	...	Cons. Paper	26251	17½	17½	16	16
17⅞	12½	.	...	Cons. Press	60	14	17⅞	15	17⅞
60	47	.	...	Cons. Sand. pf.	....	(47 bid — asked)			
81½	74½	50c+$1	...	Cons. Smelters	4067	76½	78½	75	76
207	201	10	4.9	Consumers' Gas	217	204⅞	207	201	205
93	89	7	7.5	Corr. P. Box, p.	....	(— bid 94 asked)			
27½	25	80c	3.1	Cosmos Imp.	115	26½	26	25	25
104½	104½	5	4.8	Do. pref.	....	(104 bid — asked)			
22	18	80c	3.7	Crown Cork	70	21⅞	21½	21½	21½
2½	1½	.	...	Crown Dom. Oil	35	1½	2	2	2
50	43	7	...	Crow's N. Coal	50	49⅞	46	43	46
				D					
4	4	.	...	David & Fre. A	10	3	4	4	4
†1½	1	.	...	Do. (B)	....	(— bid 2½ asked)			
17½	15	.	...	De Havilland	540	15½	17½	15	17
80	67	.	...	Do. pref.	85	70	80	70	80
5	5	.	...	Disher Steel	....	(7 bid 8 asked)			
17	15½	.	...	Do. pref.	20	16½	17	17	17
28⅞	24⅞	.	...	Distill-Seagram	8976	25⅞	26	24⅞	24⅞
94½	94	1.25	...	Do. pref.	....	(94 Jan. 25)			
..	..	.	...	Dom. Ang. Inv.	....	(90 bid — asked)			
..	..	5+1.25	..	Do. pref.	....	(91 bid — asked)			
250	234	10	4	Dom. Bank	115	245½	250	245	250
57½	54	1.20	2.1	Dom. Bridge	2523	56	57	55	56⅞
21½	19⅞	1.50	7	Dom. Coal, pf.	1862	20½	21½	21	21½
65	62	.	...	Dom. Engineer.	105	64	65	65	65
120	90	.	...	Dom. Foundries	30	119	120	118	120
116½	110	5	4.4	Dom. Glass	145	116	114	110	114
153	150	7	4.7	Do. pref.	1	151	150	150	150
43½	41	.	...	Dom. Oilcloth	....	(— bid 41 asked)			
†102½	95	7	6.8	Dom. Rubber, p	....	(100 bid — asked)			
19½	12½	.	...	Dom. St. & C.B.	62705	17½	19½	16⅞	18⅞
11½	10	.	...	Dom. Stores	2165	10⅞	11½	10⅞	11
18½	15½	.	...	Dom. Tar & Ch.	1506	17	17½	16	17
117	109	.	...	Do. pref.	380	115½	115	114	115
80	73	5	6.3	Dom. Textile	710	79½	80	79	80
148	145	7	4.8	Do. pref.	160	148	147	145	147
17	14½	.	...	Donnacona P.A.	3572	15	15½	15	15
16½	14	.	...	Do. (B)	740	15	15½	14½	14½
16	13½	.	...	Dryden Paper	1190	15½	16	14	15
				E					
7	2	.	...	East. Koot. Pr.	....	(— bid 7 asked)			
36	14	.	...	Do. pref.	....	(24 bid 32 asked)			
5	2½	.	...	East. Dairies	225	4	4½	4	4
30	17½	.	...	Do. pref.	115	24	24	23	24
24	19	1	...	East. Steel	565	22½	22	21	21
109	109	7	6.4	Do. pref.	....	(106 bid 109 asked)			
†85	72½	7	8.7	East. Theat., pf.	....	(— bid 80 asked)			
9½	4⅞	.	...	Easy Washing	1070	8½	8½	8	8½
36	34	1	...	Economic Inv.	174	35	36	35	35
24	21⅞	1.60+10c	..	Electrolux	605	22½	22½	21⅞	22
8	5½	.	...	Enam. & Heat.	470	7½	8	7	7½
37	30	.	...	English Electric	50	36½	35	30	30
16⅞	14	.	...	Do. (B)	320	15	15	14	15
7	5½	.	...	Equitable Life	215	7	7	6⅞	7
10½	10	60c	...	European El. A.	700	10	10½	10	10
.65	.65	.	...	Do. Warrants	150	.15	.65	.65	.65
				F					
13	9	.	...	Fairchild Air.	3175	10½	11	9⅞	9⅞
35	24	60c	...	Fam. Players	....	(30 bid — asked)			
34	34	60c	...	Do. Vot. Tr.	....	(30 bid — asked)			
24	22	50+37½c	.	Fanny Farmer	3295	22½	23½	22	23⅞
29½	22½	1	3.5	Ford Motors A.	26390	26½	29½	26⅞	28½
2½	1½	.	...	For. Pr. Secs.	155	2	2½	2	2
28½	24½	.	...	Foundation Co.	700	27½	27½	26	26
34½	30	.	...	Fraser Cos.	406	31	31½	30	31½
34½	31	.	...	Do. Vot. Tr.	2044	32	32	31	31½
52	45	.	...	Freiman, pf.	5	48	48	48	48
11	7	.	...	Frost Steel	465	7	7	7	7
104	100½	5.25	...	Do. pref.	....	(105½ bid — asked)			

Range 1937 High	Low	Div R'te $	Feb.6 Y'ld %		Sales	Last Feb. 1	Week end. Feb. 8 H	L	Cl'se
1.15	.85	.	...	United Distill.	1375	1.05	1.10	1.00	1.00
62½	51½	.	...	United Fuel, pf.	1015	60	60	57½	58
25	25	2	8	United Secs.	....	(24 bid — asked)			
10½	7⅞	.	...	United Steel	12900	9⅞	9⅞	9	9½
				V					
8	5	.	...	Viau Bisc.	2	5½	8	5	8
50	50	.	...	Do. pref.	....	(53 bid — asked)			
				W					
27	24	25c	...	Wabasso Cot.	410	24	24	24	24
49½	45½	2	4.2	Walker-Good.	5105	46⅞	48½	45½	47½
20	19½	1	5.1	Do. pref.	1923	19⅞	19⅞	19½	19½
3½	2½	.	...	Walkerville Br.	1975	2½	2⅞	2½	2⅞
4	2½	.	...	Waterloo Mfg.	1160	2½	3½	2⅞	3
12½	11	.	...	West. C. Flour	165	12	11½	11	11
90	80	.	...	Do. pref.	150	85	87	85	85
70	65	2.40	3.7	West. Grocers	20	70	68	68	68
120	120	7	5.8	Do. pref.	....	(119½ bid — asked)			
18½	17⅞	80+10c	..	Weston Ltd.	1450	18	18½	17⅞	18
106½	104½	5	4.8	Do. pref.	35	104½	105	104½	104½
8	4	.	...	Windsor Hotel	20	6	6	6	6
23	12	.	...	Do. pref.	75	20	22	20	22
10½	4⅞	.	...	Winnipeg El. A.	8028	8	8½	7½	7½
10	4⅞	.	...	Do. (B)	1327	7⅞	8	7½	7⅞
44	30	.	...	Do. pref.	95	40	39½	38	38
75	53	.	...	Wood, A. & J. p	....	(60 bid 65 asked)			
85	78	.	...	Woods Mfg., pf.	319	81	82⅞	80	82½
				Z					
6⅞	5½	.	...	Zimmerknit, c.	80	6	6⅞	6½	6½
92	92	7	...	Do. pref.	....	(96 bid 98 asked)			

* Quotations for 1935. No sales recorded in 1936-37 to date.
† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus 1% paid Jan. 2, 1937.
▲ Capital distribution.

Government Bonds

Dominion Guaranteed Bonds					
Canadian National Railways:					
3	1 May '44	...	102.25	103.25	2.50
3	15 Dec. '50	...	98.75	99.75	3.03
3	15 Feb. '53	...	98.25	99.25	3.07
*4½	1 Sept. '51	...	112.75	113.75	3.33
*4½	1 Feb. '56	...	113.00	114.00	3.47
†4½	1 July '57	...	112.50	113.50	3.57
*4¾	15 June '55	..	115.50	116.50	3.52
5	1 Feb. '54	..	116.00	117.00	3.65
*5	1 July '69	...	116.00	117.00	▲3.03
*5	1 Oct. '69	...	118.50	119.50	▲3.43
Provincial Government Bonds					
New Brunswick:					
4	1 Sept. '54	...	103.00	104.50	3.66
†4½	15 Apr. '61	...	110.00	111.50	3.77
†5	15 Jan. '60	...	114.50	116.00	3.93
Nova Scotia:					
3	2 Sept. '45	...	99.00	100.00	3.00
4½	15 May '43	...	107.00	108.50	3.01
†4½	15 Sept. '52	...	111.00	112.25	▲3.17
†5	1 Mar. '60	...	116.50	118.00	3.81
Ontario:					
*4	1 June '62	...	106.00	108.00	3.52
*4½	1 Sept. '44	...	112.00	113.50	2.62
4½	1 June '50	...	110.25	111.25	3.45
*4½	15 Jan. '62	...	113.00	115.00	3.58
5	15 Oct. '48	...	114.00	115.50	3.41
*5	2 Dec. '60	...	120.00	122.00	3.62
5½	1 July '46	...	115.00	116.00	3.49
Ont. Hydro Comm.:					
3½-4-5	1 Oct. '52	...	100.00	101.00	
4¾	1 Jan. '70	...	117.00	118.50	3.79
Prince Edward Island:					
3	1 Oct. '45	...	100.00	101.00	2.87
Quebec:					
4	15 Mar. '52	..	106.25	107.25	3.39
4¼	1 Aug. '58	...	110.75	111.75	3.40
4½	2 Jan. '63	...	113.00	114.00	3.66

Alberta:					
4	15 Dec. '54	.	60.00	64.00	§
†4	1 Dec. '57	...	60.00	64.00	§
4½	1 Oct. '51	...	74.00	78.00	§
†4½	1 Oct. '56	...	67.00	70.00	§
†5	1 Jan. '48	...	67.50	70.50	§
5	1 Sept. '55	...	65.00	68.00	§
*5	1 Oct. '59	...	68.00	71.00	§
†5½	1 Jan. '47	...	67.50	70.50	§
6	1 Mar. '47	...	68.00	71.00	§
British Columbia:					
†4	1 Dec. '57	...	89.00	92.00	4.60
*4½	15 Jan. '51	...	98.00	100.00	4.50
†4½	1 Oct. '53	...	94.00	98.00	4.85
†5	15 Jan. '48	...	97.00	99.00	5.12
5	1 Sept. '53	...	98.50	99.75	5.02
5½	1 Feb. '45	...	99.00	100.50	5.42
6	15 Feb. '47	...	100.00	102.00	5.73
Manitoba:					
4	2 Jan. '50	...	82.00	85.00	5.65
†4	1 Dec. '57	...	82.00	85.00	5.18
†4½	15 Dec. '56	...	83.00	86.00	5.68
†5	15 June '54	...	88.00	92.00	5.73
*5	2 Dec. '59	...	90.00	94.00	5.46
5½	1 Oct. '55	...	87.00	90.00	6.42
6	1 Apr. '47	...	89.00	92.00	7.10
Saskatchewan:					
4	15 Aug. '53	...	77.00	79.00	6.03
4	1 Nov. '60	...	75.50	77.50	5.73
*4½	2 July '45	...	83.00	87.00	6.53
†4½	1 Oct. '51	...	86.50	87.50	5.75
†4½	15 Mar. '60	...	81.00	83.00	5.84
5	1 Aug. '58	...	82.00	84.00	6.37
†5½	15 Nov. '46	...	85.50	87.50	7.28
3½	1 Oct. '52	...	84.50	86.50	6.90
6	15 Mar. '52	...	89.00	92.00	6.85

Dominion of Canada

Feb. 10, 1937			Bid	Ask.	Approx Yld.
†‡5	1 Mar. '37	...	100.00	100.50	...
‡3½	1 Dec. '37	...	103.00	103.50	1.26
2½	15 Oct. '39	...	102.25	102.75	1.45
4	15 Oct. '39	...	105.75	106.50	1.55
2	15 Nov. '39	...	100.75	101.50	1.47
1½	1 June '40	...	99.25	100.00	1.50
4½	1 Sept. '40	...	107.25	108.00	2.17
1	15 Mar. '41	...	97.25	98.00	1.50
5	15 Nov. '41	...	111.00	111.75	2.39
3	15 Oct. '42	...	103.75	104.75	2.13
2½	1 June '43	...	101.00	102.00	2.16
5	15 Oct. '43	...	112.00	113.00	2.85
4½	15 Oct. '44	...	111.00	112.00	2.75
■2½	15 Aug. '45	...	100.25	101.25	▲2.29
4	15 Oct. '45	...	107.25	108.25	▲2.65
4½	1 Feb. '46	...	111.0	112.00	2.97
3½	15 Oct. '49	...	103.50	104.25	▲2.88
4	15 Oct. '52	...	106.75	107.75	▲3.16
3	1 June '55	...	98.75	99.75	3.02
4½	1 Nov. '56	...	110.00	110.75	▲3.23
4½	1 Nov. '57	...	110.00	110.75	▲3.32
4½	1 Nov. '58	...	110.75	111.50	▲3.33
4½	1 Nov. '59	...	110.85	111.50	▲3.40
■3¼	15 Jan. '61	...	100.00	100.75	▲3.13
3¼	1 June '66	...	99.75	100.75	▲3.20
♦3	Perp. bds.	...	94.25	95.00	3.16

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2% •Calculated to maturity, although callable prior to that date.

Mining Stock Quotations

WEEK ENDED FEB. 8

Par Val.	Range 1937 High	Low	Company	Sales	Close Feb.1 (or last)	High for week	Low for week	Close Feb. 8
1	.10½	.06½	Afton	64,900	.08½	.09	.07½	.09
No	1.85	1.42	Aldermac	114,704	1.54	1.61	1.48	1.50
1	.04⅞	.03½	Alexandria	70,850	.04	.04½	.03⅞	.04⅞
No	.09⅞	.05	Algoma	65,656	.07½	.08	.06⅞	.06⅞
No	8.75	6.50	Anglo-Huronian	7,836	7.50	8.75	7.50	8.75
1	1.42	1.12	Argosy	48,737	1.35	1.42	1.25	1.26
1	1.15	.85	Arntfield	53,575	1.00	1.15	.97	1.08
No	.09	.04½	Arno	18,100	.06	.07	.06½	.07
1	.12	.09	Ashley	61,700	.11	.12	.10	.10½
1	.27	.09	Astoria Rouyn	1,998,950	.17⅞	.26	.17½	.19
1	.08⅞	.05⅞	Bagamac	79,750	.08	.08	.07	.07
1	1.85	1.45	Bankfield	41,685	1.55	1.60	1.45	1.45
1	.01	.01	Barry Hollinger	......	(.... bid .03 asked)			
1	.40	.25	Base Metals	103,800	.27½	.40	.28	.40
No	1.75	1.30	Beattie Gold	44,645	1.52	1.75	1.48	1.48
1	.65	.48	Beaufor	103,540	.50	.65	.45	.60
1	1.70	1.33	Bidgood Kirk	222,802	1.50	1.60	1.45	1.50
1	.70	.58	Big Missouri	37,391	.62	.65	.58	.62
1	.29	.19	Bobjo	98,700	.28	.29	.24	.26
1	1.14	.46	Bouscadillac G.M.	339,025	.64	1.14	.57	1.05
No	9.00	7.90	Bralorne	2,195	8.70	8.75	8.50	8.60
1	.16	.07	Brazil Gold	6,000	.08⅞	.12	.07	.08½
1	.21	.12½	Brett Trethewey	120,300	.19	.21	.17	.18
50c	.16	.07	B. R. X. Gold	8,712	.15	.16	.12	.16
1	.13	.09⅞	Brownlee	123,460	.10	.12	.10	.12
1	12.50	11.12	Buffalo Ankerite	5,946	11.87	12.50	11.87	12.00
5	29.50	27.50	Bulolo Gold	4,082	28.75	29.50	28.50	28.50
No	.23	.10	Bunker Hill	68,350	.18	.23	.17	.20
No	2.30	1.80	Can. Malartic	65,340	2.08	2.30	2.06	2.20
1	1.75	1.60	Cariboo Gold	600	1.76	1.75	1.68	1.68
1	.47½	.30	Cartier Malartic	132,775	.36	.40	.32	.37
1	1.66	1.46	Castle Trethewey	38,730	1.50	1.60	1.48	1.60
1	.31	.18	Cen. Manitoba	69,100	.22½	.24	.19	.19½
1	5.25	4.20	Cen. Patricia	40,565	5.10	5.20	4.75	4.75
1	.43	.31	Cen. Porcupine	42,200	.34	.35	.31	.32
No	1.47	1.10	Chromium	41,470	1.25	1.25	1.10	1.15
•No	.06	.05	Church M. & Mi	46,500	.06	.06	.05	.05½
No	.09½	.06	Clericy	241,900	.08	.09½	.07½	.09
5	7.75	5.50	Coast Copper	150	6.50	6.50	5.50	5.50
1	.03½	.02	Cobalt Contact	24,000	.02½	.02½	.02	.02½
5	3.50	3.15	Coniagas	320	3.30	3.40	3.15	3.15
No	2.14	1.80	Coniaurum	24,119	1.90	2.10	1.85	1.95
1	2.70	1.80	Con. Chibougamau	360,510	2.47	2.70	1.80	1.90
25	81.25	74.50	Cons. Smelters	4,067	76.50	78.50	75.00	76.00
1	2.98	2.30	Darkwater	19,480	2.41	2.45	2.30	2.40
No	51.12	47.75	Dome Mines	5,709	50.50	50.75	49.00	50.00
1	.15	.07	Dom. Explorers	22,150	.09	.10	.08½	.10
1	1.22	.40	Dorval Siscoe	409,228	.85	1.22	.90	1.02
1	.10	.05½	Duparquet	341,900	.06½	.10	.06	.08½
1	2.05	1.20	East Malartic	83,820	1.95	1.98	1.75	1.80
1	2.70	2.32	Eldorado	89,545	2.42	2.70	2.35	2.55
No	12.25	10.25	Falconbridge	8,416	10.50	11.00	10.37	10.75
1	.54	.20½	Federal	421,925	.50	.51	.41	.44
No	1.58	1.15	Francoeur Gold	277,785	1.43	1.58	1.30	1.35
1	.30	.24	Glenora	83,950	.28	.30	.24	.24
No	1.02	.87	God's Lake	40,200	.94	.95	.89	.91
1	.15	.10	Golconda	1,500	.11½	.13	.12½	.13
1	.49	.41	Goldale	55,100	.46	.47	.42	.42
50c	.23	.12	Gold Belt	4,600	.19	.23	20	.20
1	.18½	.11	Goodfish	60,450	.17	.17	.13½	.15½
1	.63	.18	Graham Bosquet	625,225	.35	.63	.30	.51
1	.57	.23½	Granada Gold	214,592	.50	.57	.43	.54
No	.18	.07	Grandora	34,600	.10½	.15	.09½	.13½
1	.46	.35	Greene Stabell	110,550	.38½	.40	.35	.35
1	.16	.11	Grozelle	100	.13	.16	.16	.16
1	.18	.12	Grull Wihksne	7,000	.17	.18	.17	.17
1	1.25	1.05	Gunnar Gold	39,725	1.13	1.18	1.12	1.14
1	.07	.03½	Halcrow Swayze	26,350	.05½	.06	.05½	.05½
1	3.44	2.50	Hard Rock	84,005	2.76	2.85	2.50	2.55
1	.35	.15	Harker	198,950	.29½	.30	.25½	.28½
5	15.50	13.75	Hollinger	73,210	15.37	15.50	15.12	15.25
1	.72	.60	Howey Gold	63,553	.63	.68	.60	.68
No	35.75	32.25	Hudson Bay	6,277	33.75	34.25	32.65	33.50
1	19.25	15.87	Inter. Mining	1,275	16.37	16.50	15.50	16.37
No	65.65	62.12	Int. Nickel	38,423	63.25	65.65	63.50	65.00
1	.59	.43	J. M. Cons. Gold	109,576	.52	.59	.48	.50
1	.65	.55	Kerr Lake	......	(.60 bid 1.00 asked)			
1	2.65	1.90	Kirk. Hud. Bay	78,095	2.00	2.65	2.05	2.30
1	1.35	1.06	Kirkland Lake	87,940	1.20	1.25	1.13	1.20
1	.36	.24	Kirk. Premier	35,700	.30	.32	.27	.30
1	.48	.23	Kirk. Townsite	76,800	.37	.48	.36	.42
1	1.15	.90	Laguna	42,400	1.03	1.15	1.03	1.08
No	.08½	.05	Lake Maron	150,150	.06½	.08	.06½	.07½
1	59.25	56.25	Lake Shore	4,508	56.25	57.75	56.25	57.65
1	.28	.14	Lamaque Contact	203,550	.23	.25	.17½	.18
1	1.33	1.12	Lapa Cadillac	40,375	1.27	1.27	1.16	1.17
1	.94	.78	Lava Cap	10,600	.85	.83	.80	.81
1	.30	.18½	Lebel Oro	190,084	.27½	.28½	.25	.25
1	1.35	1.07	Leitch Gold	163,012	1.27	1.35	1.07	1.09
No	8.40	7.05	Little Long Lac	10,418	8.15	8.40	7.70	7.90
1	8.60	7.30	Macassa	35,790	8.00	8.10	7.60	7.95
1	.04⅞	.03½	Malrobic	189,850	.04½	.04⅞	.04	.04⅞
No	.69	.48	Mandy	19,450	.56	.60	.50	.52
No	.16	.10	Man. & Eastern	429,015	.12	.15½	.12	.13
1	.44	.25	May Spiers	39,820	.36	.35	.30	.30
5	42.25	38.00	McIntyre	8,009	39.00	40.75	39.50	40.75
1	2.03	1.78	McKenzie R.L.	41,170	1.92	1.96	1.85	1.85
1	.65	.60	McKinley	50	.65	.60	.60	.60
No	4.85	2.70	McLeod Cockshutt	785,928	3.90	3.85	2.70	2.75
1	.19	.13	McMillan	181,050	.16½	.17	.14½	.14½
No	1.21	.85	McWatters	34,350	.90	.97	.90	.90
1	.36	.17	McVittie	128,415	.30	.36	.25	.29
5	2.00	1.50	Mentor Exp. & Dev		(1.80 bid .... asked)			
No	4.15	3.25	Mining Corp.	29,114	3.95	4.15	3.85	3.85
No	.28	.20	Minto Mines	7,300	.24½	.24	.21½	.22
1	.88	.64	Morris Kirk.	56,200	.84	.88	.74	.75
1	1.77	1.55	Moneta	73,853	1.69	1.75	1.67	1.70
1	.45	.25	Montague	2,600	.30	.40½	.39	.40
1	.10	.04½	Murphy	1,288,400	.07	.10	.07	.09½
1	1.05	.65	Naybob	73,641	.94	1.05	.88	.98
No	.08½	.04	Newbec	55,700	.06	.07½	.05½	.06½
1	1.49	1.16	New Golden Rose	37,900	1.40	1.44	1.28	1.42
1	.05	.03⅞	New Night Hawk Penn.	83,100	.04½	.04⅞	.04	.04½
5	3.60	2.68	Nipissing	11,056	3.45	3.60	3.20	3.25
No	79.25	73.37	Noranda	14,735	74.50	75.75	74.50	74.75
No	.90	.75	Nor. Canada	8,030	.76	.78	.75	.75
1	.16½	.08½	Norgold	43,650	.13	.14	.13	.14
1	13.25	8.50	O'Brien	22,610	10.00	10.25	9.40	9.55
1	1.28	.72	Omega	180,023	1.19	1.24	1.05	1.05
1	.30	.22½	Osisko	3,700	.23½	.23½	.23	.23
No	4.05	3.55	Pamour	11,765	3.90	3.95	3.55	3.55
1	.26½	.20	Parkhill	148,100	.22	.26½	.22	.24½
1	3.80	3.40	Pato Cons.	10,125	.....	3.80	3.40	3.40
1	.46	.30	Paulore	108,350	.44	.45	.38	.40
1	.06	.03	Pawnee Kirk.	40,200	.05½	.05½	.04	.04½
1	1.38	1.08	Paymaster	304,695	1.10	1.12	.98	1.04
1	4.05	3.15	Pend Oreille	39,840	3.35	3.80	3.30	3.55
1	2.51	2.10	Perron Gold	35,220	2.30	2.30	2.10	2.10
1	.03⅞	.02⅞	Peterson Cobalt	19,500	.03½	.03⅞	.02⅞	.03
1	9.20	8.05	Pickle Crow	23,740	9.20	9.20	8.80	8.80
1	6.85	6.00	Pioneer Gold B. C.	6,750	6.50	6.85	6.50	6.50
1	.11	.06½	Porcupine Crown	285,900	.07½	.11	.07½	.09
1	1.90	1.55	Powell Rouyn	89,198	1.71	1.90	1.72	1.78
1	4.50	3.80	Premier Gold	10,950	4.05	4.15	3.80	3.80
1	1.47	1.29	Preston E. Dome	19,445	1.39	1.45	1.39	1.45
No	1.55	1.20	Prospectors Air's	4,750	1.25	1.25	1.20	1.24
1	.88	.70	Quebec Gold	4,000	.75	.85	.73	.85
No	.48	.10	Quemont	120	.13	.15	.10	.10
1	6.85	5.00	Read Authier	47,550	6.05	6.85	6.10	6.50
1	1.78	1.18	Red Lake	408,335	1.27	1.78	1.30	1.45
1	1.35	1.20	Reno Gold	19,525	1.23	1.25	1.20	1.21
1	.16	.06½	Ritchie	422,950	.08½	.16	.08	.14½
1	.12½	.09	Robb Montbray	101,700	.10	.10½	.09	.10
1	.48½	.36	Roche Long Lac	260,501	.43	.48½	.42	.43
1	2.40	2.15	San Antonio	12,059	2.25	2.30	2.20	2.25
1	1.13	.76	Shawkey	448,950	.98	1.13	.95	.99
50c	.80	.65	Sheep Creek	1,900	.66	.70	.66	.70
1	3.60	2.75	Sherritt Gordon	102,535	3.15	3.30	3.00	3.10
1	6.65	5.10	Siscoe	31,733	5.95	6.25	6.00	6.10
1	2.50	1.90	Sladen Malartic	102,320	2.35	2.48	2.15	2.20
No	.05½	.03½	South Tiblemont	37,500	.04⅞	.04⅞	.04½	.04½
No	1.75	.90½	Stadacona	369,209	1.72	1.75	1.41	1.55
1	.32	.21	St. Anthony	114,330	.26	.31	.27	.29
No	6.25	5.50	Sudbury Basin	5,125	5.90	6.00	5.50	5.80
1	.40½	.35	Sudbury Contact	34,150	.38	.40	.35	.35
1	.04	.02½	Sudbury Mines	43,737	.03⅞	.04	.03½	.03⅞
1	2.25	1.92	Sullivan Cons.	66,437	2.08	2.10	1.92	2.00
1	4.80	3.75	Sylvanite	21,505	4.70	4.80	4.40	4.40
1	.28½	.17	Tashota	199,556	.25	.28½	.24½	.28
1	6.10	5.35	Teck Hughes	19,297	5.95	6.10	5.85	5.90
1	2.15	1.30	Thomp. Cadillac	26,375	1.66	1.72	1.55	1.60
1	.54	.20	Timiskaming	250,447	.43	.54	.39	.50
1	4.60	3.85	Toburn Gold	2,275	4.15	4.15	3.85	4.05
1	1.67	1.30	Towagmac	83,720	1.52	1.67	1.50	1.54
1	.75	.50	Treadwell	600	.50	.75	.50	.50
No	3.19	2.83	Ventures	32,396	2.93	3.00	2.83	2.83
No	4.10	3.05	Waite Amulet	15,599	3.70	3.70	3.30	3.50
50c	.07½	.05½	Wayside	45,500	.06½	.06½	.06	.06
No	.05	.03½	White Eagle	70,600	.04⅞	.04½	.03½	.04
1	.16½	.09	Wiltsey Coughlan	35,200	.13⅞	.14	.12½	.13½
1	.77	.45	Wood Cadillac	242,160	.70⅞	.77	.60½	.70
No	8.20	7.55	Wright-Hargreaves	17,955	8.00	8.10	7.90	7.90
No	.49½	.34	Ymir Girl	13,602	.47	.47	.40	.42
			OIL STOCKS					
No	.20	.14	Acme Gas & Oil	55,650	.16	.20	.16	.18
1	.57	.40	Ajax	7,400	.52	.53	.50	.53
	1.10	.36	British Dominion	37,200	.....	1.10	.36	1.00
No	6.05	2.60	Calgary & Ed.	113,178	3.70	6.05	3.50	5.95
1	1.65	.42	Calmont	189,979	1.13	1.65	1.10	1.60
No	.95	.24	Common Pete	92,025	.50	.95	.52	.87½
No	3.35	1.30	Dalhousie	88,112	2.65	3.35	2.50	3.30
No	.37	.10½	Eastcrest	151,850	.21	.37	.21	.33
No	3.35	1.90	Foothills	60,580	2.85	3.35	2.60	3.20
	1.20	.70	Foundation Pet.	116,450	.....	1.20	.70	1.20
No	.38	.16	Hargal	18,000	.28	.38	.25	.37
No	.80	.15	High Sarcee	194,450	.34	.80	.32	.80
No	4.05	2.75	Home	107,884	3.70	4.05	3.25	3.80
1	.87	.55	Homestead O. & G.	44,700	.74	.71	.65	.65
No	.70	.70	Hunter Valley	......	(.68 bid .70 asked)			
No	.15	.15	Do., Warrants	3,000	.....	.15	.15	.15
No	.90	.37	Lowery	41,500	.55	.90	.50	.80
No	.31	.12	Merland	109,600	.21	.31	.20½	.31
1	1.15	.45	Model	59,700	.68	1.15	.70	1.10
5	.45	.17½	Nordon	14,775	.36	.43	.32	.41
No	.12	.05	Oil Selections	78,700	.08	.10	.07½	.09
No	.12	.06	Olga Gas & Oil	35,810	.10½	.10	.08½	.09
No	.43	.13	Pacalta	363,400	.32	.43	.29	.41
1	.70	.68	Petrol Oil & Gas	1,356	.70	.68	.65	.68
No	55.50	43.00	Royalite	23,018	48.50	55.50	47.00	54.75
No	2.00	.62	South West Pete.	32,345	.70	2.00	.80	1.90
No	2.35	2.00	Texas Can.	21,390	2.12	2.17	2.05	2.14

VANCOUVER STOCK EXCHANGE

Par Val.	Range 1937 High	Low	Company	Sales	Close Feb.1 (or last)	High for week	Low for week	Close Feb. 8
1	.09	.01⅞	Alexander	......	(.03½ bid .04½ asked)			
25c	.01½	.00⅞	Bayview	156,000	.01½	.01½	.01	.01½
20c	.04	.02½	Beaver Silver	42,100	.02½	.03	.02½	.02⅞
1	.70	.60	Big Missouri	21,207	.62	.64	.60	.62
25c	.04½	.02½	Bluebird	6,100	.03⅞	.03½	.03½	.03½
No	8.95	7.95	Bralorne	4,231	8.75	8.80	8.55	8.55
1	.07½	.05	Bridge River Cons.	5,900	.07	.06½	.06	.06
50c	.15	.09	B. R. X. Gold	21,125	.12	.15	.11	.12
50c	.18½	.10	B.R. Mountain Gold	14,700	.12	.18½	.15	.18
1	.38	.25	B. C. Nickel	35,650	.28	.29	.25	.26
1	3.75	2.95	B. C. Silver	1,499	3.70	3.75	3.20	3.20
50c	.04	.03½	Canadian Rand	13,100	.04	.04	.04	.04
1	1.75	1.50	Cariboo Gold	3,450	1.70	1.70	1.63	1.65
1	.14	.09	Congress Gold	36,100	.14	.13½	.11	.11
25c	.01½	.01	Cork Province	11,500	.01½	.01	.01	.01
1	.06	.04	Cotton Belt	......	(.04 bid .04½ asked)			
No	.20	.13½	Dentonia	28,800	.16	.20	.16½	.19
No	.07½	.02½	Dictator	133,800	.05½	.07½	.05½	.06½
1	.04½	.03	Dunwell	1,500	.04½	.04	.03½	.03½
No	.18	.11½	Fairview Amal.	32,337	.13½	.14	.11½	.11½
50c	.69	.64	Fawn Mining	4,310	.65	.69	.67	.69
1	.06	.03½	Federal Gold	22,700	.05½	.05½	.04½	.04½
1	.80	.52	George Copper	1,300	.60	.55	.52	.55
50c	.04	.03	George Enterprise	......	(.03½ bid .... asked)			
1	.05	.02½	Georgia River	55,300	.03⅞	.03½	.03	.03
1	.16	.10½	Golconda	17,100	.12	.12½	.11	.11½
50c	.23	.11½	Gold Belt	28,100	.21	.22	.19	.19
50c	.43	.26	Gold Mountain	140,100	.34½	.34½	.26	.26
50c	.16	.11½	Grandview	59,600	.12½	.13½	.12½	.13½
No	.02⅞	.02	Grange Mines	31,000	.02½	.02½	.02	.02
1	.18½	.13	Grull Wihksne	79,250	.18½	.18½	.13½	.14
50c	.67	.25	Hedley Amal.	177,240	.64	.67	.54	.58
No	.12½	.06	Hedley Sterling	91,600	.12	.12½	.09½	.09½
No	.04½	.02½	Home Gold	74,100	.04½	.04½	.04	.04
1	.04½	.02½	Independence	125,000	.03½	.03½	.03	.03½
50c	1.18	1.04	Island Mountain	1,700	1.18	1.15	1.10	1.10
1	.22	.21	Inter'tl Coal	......	(.22½ bid .... asked)			
50c	.06½	.04½	Inter'tl Gold	......	(.... bid .06 asked)			
50c	.90	.82	Kootenay Belle	13,200	.84	.85	.82	.82
20c	.03½	.01½	Koot. Florence	186,000	.02½	.03	.02	.03
25c	.02	.01	Kootenay King	4,500	.01½	.02	.01½	.01½
1	.03	.00½	Lakeview	255,200	.01	.03	.01½	.02½
10c	.11½	.06½	Lucky Jim	103,500	.08½	.09½	.08	.08½
No	.07½	.04½	Mak Siccar	23,000	.06½	.06½	.06	.06
50c	.01⅞	.00½	Marmot Metals	43,500	.01⅞	.01½	.01	.01½
1	.19½	.19	McGillivray Creek		(.19 bid .19 asked)			
50c	.06½	.02½	Meridian Min.	6,460	.05½	.06	.05½	.05½
No	.28	.19½	Minto Mines	60,000	.23½	.23	.21	.21
50c	.04⅞	.03	Morning Star	26,100	.03½	.04	.03	.03
50c	.15½	.09	Nicola	152,788	.13½	.15½	.13	.13
50c	.13	.06	Noble Five	184,500	.12½	.13	.11	.12½
1	4.00	3.15	Pend Oreille	3,025	3.30	3.75	3.30	3.75
No	.06½	.05	Pilot Gold	66,100	.05½	.05½	.05	.05
1	6.75	6.05	Pioneer Gold	4,265	6.60	6.75	6.50	6.60
50c	.15	.08	Porter Idaho	29,700	.09	.09	.08	.09
1	4.80	3.85	Premier Gold	9,125	4.02	4.00	3.85	3.90
1	.05½	.04	Quatsino Copper	30,000	.04½	.04½	.04	.04
25c	.16½	.10	Quesnelle Quartz	19,100	.16½	.16½	.15	.15
1c	.05	.03½	Reliance	51,900	.05	.05	.04½	.04½
1	.37	.30	Relief Arlington	13,200	.30	.31	.30	.30
No	1.00	.75	Reeves McDonald	22,055	.82½	.92	.80	.92
1	1.31	1.17	Reno Gold	6,100	1.25	1.22	1.19	1.19
1	.18½	.06	Reward Mining	1,261,600	.14	.18½	.12½	.17½
1	.04½	.03½	Rufus Argenta	21,350	.03½	.03½	.03½	.03½
1	.05½	.04	Ruth Hope	13,000	.04½	.05	.04½	.04½
50c	.13½	.09½	Salmon Gold	23,600	.10	.13½	.10	.12
50c	.78	.61	Sheep Creek	1,600	.66	.70	.65	.68
1	3.20	3.00	Sihak Premier	......	(3.50 bid 3.50 asked)			
25c	.13	.04½	Silvercrest	108,650	.09½	.13	.09½	.12
20c	.04½	.02½	Silversmith	21,500	.04	.04	.03	.03½
10c	21.00	21.00	Sunshine	......	(21.00 Jan. 12)			
No	.12	.07½	Taylor Bridge	18,200	.10	.10½	.09	.10½
1	.12	.08	Taylor Windfall	......	(.10 Feb. 1)			
50c	.02⅞	.00½	United Empire	378,508	.02½	.02½	.01½	.02½
No	1.05	.82	Vidette Gold	4,050	.86	.87	.82	.82
No	.05	.02½	Viking Gold	55,500	.05	.05	.04	.04
No	.02½	.01½	Waterloo Gold	9,500	.02	.02	.01½	.02
50c	.02½	.01	Waverley Tangier	86,000	.01½	.01½	.01½	.01½
50c	.08½	.05½	Wayside	9,400	.06½	.06½	.06	.06
20c	.09	.04	Wellington	74,000	.08½	.09	.07½	.08½
50c	.41	.25½	Wesko	49,500	.40	.40½	.35	.38
1	.24	.14	Whitewater	65,150	.21	.22	.20	.20
No	.44	.34	Ymir Yankee Girl		(.40 bid .42 asked)			
			OIL STOCKS					
1	1.01	.26	Alta. Pac. Cons.	139,276	.69	1.01	.63	.97
1	.13	.06½	Amalgamated	65,000	.08½	.13	.08½	.13
1	.45	.07½	Anaconda	172,200	.23	.45	.23	.40
No	.45	.12	Associated Oils	4,000	.30	.40	.39	.40
No	.16½	.04½	Baltac	131,750	.12½	.16½	.11½	.10½
1	1.00	.15	Brit. Dominion	93,260	.40	1.00	.35	1.00
No	6.00	2.65	Calgary & Ed.	46,671	3.65	6.00	3.50	5.80
1	1.65	.43	Calmont	119,281	1.13	1.65	1.00	1.60
1	.12	.07	Crow's Nest	66,400	.08	.12	.07½	.11½
1	.85	.26	Commonwealth	106,075	.51	.85	.49	.85
No	3.50	1.33	Dalhousie	16,340	2.65	3.50	2.50	3.50
No	.20	.05	Devenish	45,800	.20	18	.16	.17½
No	.38	.13½	Eastcrest	29,550	.23	.38	.21	.36
No	.36	.10½	Freehold	318,400	.23	.36	.21	.35
No	.38	.10	Hargal	67,750	.26	.38	.24	.35
No	.79	.14	High Sarcee	160,550	.35	.79	.33	.76
No	4.10	2.80	Home Oil	17,375	3.80	4.00	3.20	4.00
No	.64	.50	Lowery	......	(.. bid .60 asked)			
No	.20	.04½	Madison	260,800	.12	.20	.11	.20
No	.50	.15	Marion Oil	85,600	.25	.50	.24½	.45
No	.70	.18	McD. Segur Ex.	308,390	.46	.70	.39	.60
1	1.40	.55	McLeod	8,830	1.00	1.40	1.00	1.40
No	.77	.22	Mercury	418,973	.39	.77	.37	.75
No	.35	.12½	Merland	48,950	.22	.35	.22	.33
No	.65	.08	Mid West	15,483	.16	.65	.20	.65
No	.65	.20	Mill City Pete	110,940	.38	.65	.30	.65
1	1.10	.44	Model	54,210	.70	1.10	.70	1.10
5	.48	.17½	Nordon	57,000	.35	.48	.32	.48
No	3.80	.85	Okalta	69,920	1.75	3.80	1.60	3.60
No	.41	.13½	Pacalta Oil	169,200	.34	.41	.29	.39
1	1.50	.60	Ranchmen's	35,245	.88	1.50	.88	1.30
No	55.00	43.00	Royalite	1,087	48.00	55.00	48.00	55.00
No	2.00	.65	Southwest Pete	20,505	.86	2.00	.85	1.80
1	.75	.25½	Spooner	16,315	.65	.75	.55	.65
No	.71	.16½	United	147,370	.38	.71	.36	.67
No	.32	.05	Vanalta	248,550	.20	.32	.19	.32
1	3.05	.95	Vulcan	51,268	1.85	3.05	1.61	2.95

Corporation Bonds

Supplied by Toronto Bond Traders' Assoc.

Feb. 9, 1937

Public Utility Issues:	Int. Rate %	Due	Bid Feb. 9	Asked	Bid Feb. 2
*Ass. Tel. & Tel.	5½	'55	87	90	86
Avalon Tel.	5½	'48	101½	..	..
Beauharnois P.	5	'73	59	62	58
†B. C. Power	4½	'60	99½	102½	99
†B. C. 'Phone	4½	'61	105½	108½	105½
*Calgary Pwr.	5	'30	98½	101½	96½
*Calgary Power	5	'54	95½	98½	..
†Can. Nor. Pwr.	5	'53	102½	105½	102½
*Dom. Gas & El.	6½	'45	96	99	95½
*Gatineau Pwr.	5	'56	103	106	103
*Do., A	6	'41	100	103	100½
*Do., B	6	'41	100	103	100½
*Inter. Hydro-E.	6	'44	87	90	87½
*Inter. Power	6	'57	98½	101½	98½
*Do.,	6½	'57	99½	102½	100
‡Do.	6	'55	101½	..	..
†Maclaren-Que. Power	5½	'61	96½	99½	96
†Do.	5½	'64	95½	98½	95
†Mtl. Island Pr.	5½	'57	103½	106½	103½
†Mtl. L. H. & Pr.	3½	'56	102	105	102
†Mtl. Tramways	5	'41	103½	106½	103½
†Do.	5	'55	85½	88½	85
Nfld. L. & P.	4½	'56	101	104	101
Nat'l. L. & P.	6	'49	96½	99½	96
N. S. L. & P.	4	'57	98½	101½	..
†Ot'wa L.H.&P.	5	'57	104	107	104
†Ottawa Tract.	5½	'55	102	105	102
†Ottawa V. Pwr.	5½	'70	101	..	91½
†Power Corp.	4½	'59	101½	104½	101
*Quebec Pwr.	5	'68	103	106	103
Saguenay Pwr.	4½	'66	104½	107½	104½
†Shaw. W. & Pr.	4	'61	100	103	100
†Do.	4½	'70	104	107	104
†South. Can. Pr.	5	'55	102½	105½	103
†United Secs.	5½	'52	81	84	80½
*Winnipeg Elec.	4½	'60	104½	107½	104½
*Do., A	4	'65	81½	84½	82
Do., B	4	'65	74½	77½	75½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	93	96	94
Acadia Sugar	4½	'55	101	..	101
†Alta. Pac. Gr.	6	'46	97½	100½	97½
Asbestos Corp.	5	'42	110	..	110
B. A. Oil	4	'45	103½	106½	103½
Canada Bread	6½	'41	108½	111½	108½
†Can. Cement	4½	'51	104	107	104
†Canada Paper	4½	'52	99½	102½	..
†Can. Steamship	6	'41	69½	72½	70
Can. Canners	4	'51	100½	103½	100
Can. Bakeries	6½	'45	99	..	99
*Can. Inter. P.	6	'49	101	104	101
C. P. R.	3½	'51	104½	107½	104
Do.	4	'49	107½	110½	107
Do.	4½	'44	102	105	102
Do.	4	Perp.	98½	99½	98½
†Can. Vickers	6	'47	99½	102½	99½
†Consol. Paper	5½	'61	91	94	94
*Dominion Coal	6	'55	100½	103½	100
Dom. Sq. Corp.	6	'48	77	..	76
‡Dom. Stl. & C.	6½	'55	98½	101½	98
†Dominion Tar	6	'49	103½	106½	103½
Dom. Textile	4½	'55	106	..	..
†Donnacona P. 3-4-4½		56	87	90	87
†Eastern Dairies	6	'49	86	89	86
†Famous Play.	4½	'51	100½	103½	100½
†Federal Grain	6	'49	99	102	100½
†Fraser Cos.	6	'50	101½	104½	101½
†Gen. Steel W.	6	'52	103½	106½	104
*Great Lakes Pap. Ex. Oct. 1/36 Cpn.	5	'55	91	94	91½
†Gypsum L.&A.	5½	'48	103	106	103
†Gr. Br. & Can. Invest.	4½	'59	87½	90½	86½
Hamilton Cot.	5½	'48	102½	..	103
*Ham. By-Prod. Coke	5	'55	101½	..	102
*Hinde & Dauch	5½	'48	102½	..	103½
†Inter. Paper	6	'55	99	102	99½
†Inter. P. & P. Nfld.	5	'68	103½	..	103½
Inter City Bak.	5½	'48	103½	..	103½
Inter-City West. Bakeries	6½	'50	..	63	62½
†Kingston Elev.	6	'50	98½	101½	98½
†Lake St. John P. & P.	5½	'61	100½	103½	101
†Do.	5	'61	86	89	..
†Lond. Can. Inv.	4½	'48	95	98	95
†Maple L. Mill.	5½	'49	86½	89½	87
†Massey-Harris	5	'47	97	100	97
†McColl-Front.	6	'49	104	107	104
†Mercury Mills	5½	'53	..	92	89
†Mersey Paper	6	'49	100	103	100
*Minn. & O. P.	6	'45	70	73	71
Mtl. Dry Docks	6	'48	93	96	93
Nat'l Grocers	4	'36-'47	101½	..	101
†N. A. Elevators	6	'50	97½	100½	97½
Nor. Ont. Bldg.	6½	'39	98½	..	98½
*Prov. Paper	5½	'47	102	105	102½
Queen's Hotel	6	'47	98½	..	98½
*Reliance Grain	4½	'52	99	102	99
†Restigouche Co.	6	'48	111	..	111
Rich. Bay Bldg.	6½	'47	101	..	101
†Riordon P. & P.	6	'42	104	..	104
†Rolland Paper	4½	'51	103	..	103
Ruddy & Co.	6½	'48	98	101	98
†Smith, Howard	4½	'51	102½	105½	102½
*Spruce Falls P.	5½	'42	100½	103½	101
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	91	..	91
Stop & Shop	6	'47	76	80	74
Twin City	5½	'52	92	95	92½
United Amuse.	5	'56	100	..	99
United Corp.	5	'53	98	..	98
Unit. Grain Gr.	5	'48	97	100	97
Do.	5½	'49	99	102	99
Union Gas	4½	'43-'50	99	102	98½
‡Wabasso Cotton	4½	'51	97½	100½	97
†Western Grain	6	'49	77½	80½	80
Windsor Hotel	6½	'43	82½	..	82
Do.	6	'47	41½	..	..
Zimmerknit	6	'51	100	103	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U.K. *Payable in Can.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

February 9, 1937

Industrial Stocks:	Bid	Asked
Acadia Sugar pfd.	5.50	5.60
Acme Farmers Dairy pfd.	48.00	....
Algoma Steel com.	24.50	25.50
Do., pfd.	98.00	100.00
Andian National	40.00	49.50
B. C. Pulp & Paper pfd.	40.00	....
Do., com.	11.00	12.00
Burns & Co. A	18.00	20.00
Do., B	8.50	9.25
Can. Tube & Steel 1st pfd.	80.00	....
Do., 2nd pfd.	21.00	....
Can. Wire & Cable pfd.	116.00	118.00
Can. Airways	9.25	11.00
Can. Industries A com.	241.00	....
Do., B com.	241.00	244.00
Do., pfd.	164.50	165.00
Can. Ingersoll Rand	120.00	132.00
Can. Westinghouse	70.00	72.00
Chase, A. W. pfd. bonus	27.00	....
Claude Neon Gen. Adv. pfd.	10.50	12.50
Conduits Nat. com.	6.00	6.50
Dom. Found. & Steel com.	115.00	118.00
Do., pfd.	98.00	101.00
Dominion Rubber pref.	99.00	....
Dominion Woollens com.	1.25	2.00
Dunlop Tire pfd.	82.50	84.00
Federal Grain com.	4.25	5.00
Do., pfd.	51.00	53.00
Goderich Elevator	8.00	9.00
Great Lakes Paper com.	14.50	15.50
Do., pfd.	34.50	35.50
Greening Wire pfd.	...	109.00
Guelph Carpet pfd.	105.25	106.50
Do., com.	24.00	25.00
Hayes Steel Prod. com.	9.00	10.00
Do., pfd.	8.25	9.25
Highland Dairy com.	3.00	4.00
Do., pfd	80.00	85.00
McCormick's com.	2.00	....
Do., pfd.	11.00	....
Mercury Mills com.	2.00	....
Morrison Brass pfd.	8.00	....
Mount Royal Hotel pfd.	2.75	3.50
N. Meth. Laund. pfd. bonus	86.00	....
Perfection Pete pfd.	20.00	24.00
Provincial Paper pfd.	106.25	107.25
Reliance Grain pfd.	100.00	101.50
Rob. Consol. Cone	9.00	9.70
Ruddy, E. L., pfd.	42.50	44.00
Seal O Sac (Can.)	28.00	30.00
Standard Fuel com.	9.00	11.00
Do., pfd.	106.00	108.00
Supertest Pet. B pfd.	27.25	28.00
Toronto Carpet com.	50.00	....
Do., pfd.	50.00	....
United Steel A pfd.	15.00	....
Western Grain pfd. bonus	15.00	18.00
Wings Ltd.	2.00	2.25
Trust & Loan Stocks:		
Chartered Trust	91.00	....
Commercial Finance com.	2.70	3.00
Guelph Ont. Inv. par $50	50.00	52.00
London & West. Trust	54.00	56.00
Sterling Trust	37.00	....
Traders Fin. com.	6.50	....
Do., B pfd. bonus	90.00	....
Trusts & Guarantee	32.00	....
Insurance Stocks:		
Canada Life	535.00	545.00
Canadian Ins. Shares	13.00	15.00
Confeder. Life 20% pd.	115.00	117.00
Dominion Fire	135.00	....
Dom. of Can. Gen.	130.00	....
Empire Life 25% pd.	8.00	....
Fidelity Ins. of Can.	50.00	....
Great West Life	....	360.00
Guar. of N.A. fully pd.	290.00	310.00
Halifax Fire	23.00	24.00
Imperial Life	370.00	....
Manufacturers Life	250.00	260.00
Monarch Life 10% pd.	19.25	21.00
Sovereign Life 25% pd.	16.00	19.00
Sun Life	880.00	910.00
Toronto General Ins.	5.75	6.25
Western Assurance com.	50.50	....
Theatre Stocks:		
Allens Beach pfd.	72.00	75.00
Do., Kingston pfd.	71.00	76.00
Do., Parkdale pfd.	76.00	....
Do., Toronto pfd. bonus c.	35.00	39.00
Loew's London pfd.	3.00	3.50
Mansfield Theatre pfd.	43.00	46.00
Paramount Kitchener pfd.	55.00	62.50
Do., Oshawa pfd.	91.00	94.00
United Amusement A	27.00	30.00
Investment Trust Shares:		
Can. Gen. Invest.	11.15	11.50
Can. Int. Inv. Trust Units	106.00	....
Can. Investors	10.00	10.50
Cons. Div. Std. Sec. Units	19.00	20.00
Dom. Scott. Inv. Units	45.00	47.00
Invest. Foundation Units	65.25	67.00
Lon. Can. Invest. com.	3.50	5.00
Do., pfd.	52.00	....
Sec. Holding Corp. Units	24.50	25.50
United Corpns. A	27.50	28.50
Do., B	29.25	30.00
Power Issues:		
Calgary Power pfd.	88.00	....
Can. West. Nat. Gas pfd.	91.00	92.50
Do., com.	23.00	25.00
Great Lakes Power pfd.	99.00	101.00
Inter. Util. 1.75 pfd.	14.75	16.50
Montreal Island Pwr. pfd.	17.00	....
Nor. Ont. Power pfd.	104.00	105.00

Winnipeg Stocks

(Transactions from Feb. 1 to Feb. 6)

	Sales	High for period	Low for period	Close Feb. 6
B. & M. Syn.	20	4.00	4.00	4.00
Clover Gold	2,000	.05½	.05½	.05½
Cryderman	500	.03	.03	.03
Flin Flon	14,250	.17	.16½	.17
Dom. Envel, c.	10	1.50	1.50	1.50
Gt. Falls M.	3,000	.25	.20	.21
Gold Lake	26,733	.05	.03	.05
Gt. West Life	6	359.00	355.00	355.00
Gurney Gold	30,480	.65	.49½	.61
Herb Lake	1,500	.25	.22	.22
Island Lake	3,500	.04	.03½	.04
Kingfisher	7,000	.03	.02½	.03
Gold Range	100	.09½	.09½	.09½
Nor. Can. Mtge.	36	4.00	4.00	4.00
Knee Lake	8,100	.04	.03½	.04
Optic Lake	140	1.75	1.50	1.60
Ore Grande	12,100	.14	.12	.13½
Marvel Oils	25,200	.11	.08	.11
Packsack	2,550	.31	.28	.28
Sachigo	301	21.00	19.00	19.00
Scotia Gold	3,500	.03	.02	.02½
United Grain	69	11.00	10.00	10.50
Wings	600	2.25	2.00	2.00
Wpg. R. Tin.	15,500	.02	.02	.02
Wallace Lake	13,500	.04	.03½	.03½
Wylie Dom.	2,250	.60	.50	.59
Wingold	43,300	.06½	.04½	.06½
West. Brew.	200	1.30	1.25	1.25

*Stocks more active on other exchanges not included.

Unlisted Mines

February 9, 1937

	Bid	Asked
Admiral	.36	.38
Amos Cadillac	..	.29
Albany River	1.20	1.25
Algold	.62	.65
Arno	.06	.06¾
Athona	.39	.42
Arrowhead	.47	.50
Area	.05½	.06½
Bailor	.07½	.08½
Bathurst N	.05	.05
Bear	.28	.31
Bid L'Aque	.37	.40
Big Long Lac	.06½	.07½
Bilmac	.19	.22
Black G.	.42	.44
Baldwin	.04	.05
Beresford L.	.33	.43
Big Master	.22	.25
Brengold	.17	.20
Bousquet	.08	.09
Cal F. F.	.10	.12
Can. Pandora	.20	.21
Can. Kirkland	.05	.05½
Candalaca	.39	.42
Cal Bousquet	.31	.34
Casey Summit	.26	..
Casey Contact	.04½	.05
Centrecour	.27	.30
Chesterville	1.53	1.64
Coin Lake	.19	.22
Condor	.10	.11
Con. Kirkland	.55	.58
Coron. C.	.12	.18
Cres. Kirkland	.25	.28
Coulson, C.	.30	.34
Cuniptau	.12	.13
Darwin	.22	.23
Delnite	1.05	1.15
Den. Nic'l	.31	.34
Derlak	..	.19
Desantis N.	.67	.72
Don Mar.	.38	.41
Doreva	.67	.72
Dunlop New	.18	.19
Electra P.	.40	.43
Empress C.	.40	.43
Eva Lake	.20	.22
Faulkenham	.37	.40
Fishe	.04	.05
Franklin	.03	.04
Frontier	.18	.20
Galatea	.04	.05
Garnet	.07	.08
Gate Pat.	.16	.19
Gilbec	.06	.07
Gillies Lake	.64	.66
Goldside	.07	.08
Gold Eagle	.73	.78
Gold Gate	.49	.51
Gor. Lebel	.23	.26
Hayes Cad.	.16	.18
Hayson R.	.25	.28
Hislop	.20	.22
Holtryex	.11	.13
Horseshoe	.09	.11
Hud. Pat.	.11	.13
Hutch. Lake	.39	.42
Jellicoe Gold	1.05	1.10
Jellicoe Cons.	1.90	2.00
John. Nipigon	.08	.09
Kaw Crow	.29	.32
Kenecho	.19	.21
Kenricia	.90	.96
Keora	.05	.06
Kerr Add.	3.55	3.63
Kew'Gama	.78	.83
King Kirk	.06½	.07½
Kirk. Hun.	.06	.07
Kirgood	.33	.35
Kirk. Gate	.27	.30
Kirk. G. B.	.17	.20
Kirk King	.29	.32
Lafayette	.07	.08
Lake Geneva	.60	.63
Lamaque	9.00	9.25
M. Red Lake	.34	.37
Madsen	1.40	1.44
Magnet. L.	.16	.18
Mag. Cons.	.51	.53
Mal. Gold	.62	.65
Martin McN.	.12	.14

UNLISTED MINES (Continued)

	Bid	Asked
Martin B.	.95	1.03
Margaret	.64	.67
Maritime	.47	.50
Man. Basin	.06½	.07½
Matona	.41	.44
Mat. Can.	.19	.21
Moffatt N.	.11	.13
MacFarlane	.11½	.12
McC'y W.	.40	.43
McV. Kirk.	.16¼	.17¼
Mooshla	.72	.75
Mosher	.43	.46
Murmac	.07	.09
Normetals	1.75	2.00
N. Shores	.04½	.05½
Oklend	.46	.48
O'Leary	.19	.22
Opem. Copper		.50
Oriole	.14	.15
Ossian	.07½	.08½
Osoyoos	.69	.72
Pand. Cad.	1.00	1.05
Pascallis	.63	.65
Part. Mal.	.31	.34
Polaris		.55
Porc. McNabb	.20	.23
Porc. Unit.	.17	.19
Porcupine Rouyn	.22	.24
Porcupine G. R.	.06	.07
Porc. Tri	.19	.21
Porc. Lake	.40	.45
Porquin	.21	.23
Proprietary	2.90	3.00
Quemartic	.30	.32
Queensboro		.17
Red Crest	1.65	1.70
Rajah	.36	.39
Richmac	.41	.43
Roeanor	.25	.30
Rouyn Reward	.16½	.18
Rubec	.09½	.10½
San. River	.40	.41
Schreiber	.16	.18
Shenango	.25	.29
Silver Valley	.17	.19
Skookum	.20	.23
Siscoe Ex.	.47	.50
Slave Lake	..	3.50
Smelter	.10	.11
Spooner	.34	.36
Sturgeon River	.48	.52
Springer Sturgeon	.20	.21
S. Lk. Beach	.38	.42
Sunbeam	.65	.69
Tonawanda	.10	.12
Upper Can.	.60	.63
Uchi Lake	1.40	1.50
Valloc	.14	.16
Wascanna	.34	.37
Wesley	.43	.48
Westside	.07½	.08½
W. Red Lake	.08½	.09½
White Horse	.29	.33
Wendigo	.33	.36
Winoga	.42	.45
Young Davidson	.19	.21
Young S.	.17	.20
Ypres Cadillac	.44	.47

Week in Wheat

Big Southern Exports Are Easily Absorbed

Market Resistance in Face of Heavy Supplies Regarded With Satisfaction—Report Damage in United States

From Our Own Correspondent

WINNIPEG.—In view of the continuance of almost unprecedentedly heavy Argentine exports the performance of the Canadian wheat market is generally considered remarkably strong. Prices have been well maintained, advancing rapidly after a recent recession but later turning easier. Reports of damage to winter wheat in the United States southern districts have added strength.

Exports of Canadian grain are naturally lower than a few weeks ago before deliveries started from the southern hemisphere. The fact that Canadian visible is now reported definitely below 100 million bushels, however, is considered a significantly constructive factor.

Recent gains have been due to buying pressure from continental Europe,

European Buying

THERE seems to be clear evidence of some German buying, although whether or not German finances will permit the full extent of importation required to fill statistical needs is yet to be determined. The rate at which Italy is absorbing imports surprises all observers. Poland has embargoed exports of grain, but whether this is an indication of fears of food shortage or war is uncertain.

United Kingdom buyers had shown an inclination up to the beginning of this month to buy cautiously, apparently influenced by the idea that Argentine wheat was soon going to be a plentiful commodity in Europe. Liverpool dispatches indicate surprise that Argentine cargoes afloat are firmly held, with no desire in evidence to divert cargoes from the continent to the United Kingdom. In fact, Liverpool traders are doing a larger business than for some time past in wheat destined for continental ports, as various countries find it easier to arrange financing there than direct with exporting countries.

* * *

Canadian Premium

CANADIAN wheat continues to maintain a high premium over Argentine, a situation that would cause a good deal of alarm if Canada still had any great stocks to sell. Liverpool appears to take the present price situation with equanimity, and complaints are lacking against Canadian wheat being held at too high prices.

A somewhat disquieting feature is the circulation of reports in England that bakers there have been having trouble because the flour recently furnished by mills has been too high in gluten content, due to a high percentage of Canadian wheat in the milling mix. The gluten content is actually no higher than used to prevail before millers started using a higher percentage of Argentine wheat, during the Canadian price stabilization period. But bakers, having adjusted their formulas and their baking practices to the weaker flour, are now said to dislike the stronger flour now supplied as much as they disliked the weaker flour when it first appeared.

United States millers, after a period of comparatively weak demand for Canadian wheat, are once more in the market quite steadily, and practically every day sees substantial purchases on their account.

* * *

Crop Prospects

PROSPECTS for new crops will shortly begin to exercise an important market influence. The general feeling of the market appears to be that large world crops in 1937 are improbable. True, nothing very serious has yet developed with respect to European winter wheat, but almost every country reports conditions as rather less favorable than the average. Perhaps nowhere has damage been done that would not be repaired by entirely favorable weather in the spring and summer, but the feeling of apprehension can be detected.

The great spring wheat area of North America is known to be deficient in subsoil moisture. Plenty of rain this spring and summer will overcome that situation, but conditions that bring that quantity of rain might imperil the crop of the northern part of the Canadian west.

Reports of condition of the United States winter wheat crop are mixed. The general feeling, however, that it is not likely to give a large outturn seems to be reflected in the recent advice of United States Secretary of Agriculture Wallace to the effect that farmers of that country should produce as much wheat as possible this year.

On the other hand, the official Washington agricultural forecast issued this week states:

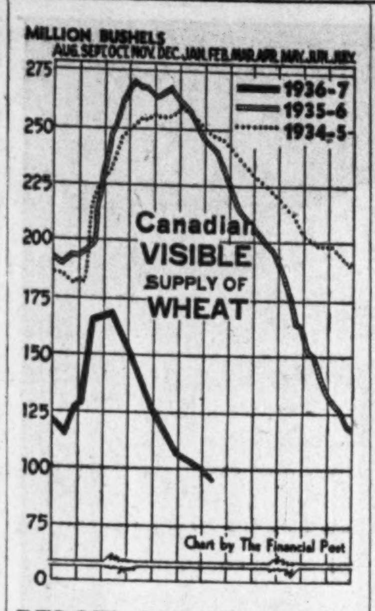
> "A large increase in wheat production and declining prices are in prospect for 1937, both in the United States and for the world as a whole, if growing conditions are average."

* * *

Ridicules Forecasts

WHILE the market has always placed considerable credulousness on long-range forecasts even if these did conflict from time to time, agriculturists have been more sceptical. Prognosticators who have argued that last fall's deficiency of subsoil moisture in western Canada definitely precluded possibility of a big crop this season are "just talking through their hats," according to Dr. E. S. Archibald, Dominion director of agricultural research, who adds:

> "Subsoil moisture merely is a guarantee the crop has a start. It could not possibly carry the grain growth through the summer. What determines the success of the crop is the amount of summer rains you have. Of course, you can have blasting heat, like last summer, which burns the crop up regardless of moisture. And you can have windy, dry weather with no rainfall."



BELOW 100 MILLIONS

Canadian stocks of wheat in marketable positions were reduced well below the 100 million mark last week, a decline of over 3½ millions from the previous week and a drop of almost 142 millions from the corresponding period last year.

Details in bushels are as follows:

Canadian Visible

Week of Feb. 5	Week previous	Last Year
97,797,000	101,376,000	239,411,000
Export Clearances*		
Feb. 5	Week previous	Last Year
....	2,219,068	4,904,636

*Plus U. S. imports.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 285

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after MONDAY, the FIRST day of MARCH next, to Shareholders of record at close of business on 30th January, 1937.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager

Montreal, 19th January, 1937.

The Royal Bank of Canada

DIVIDEND No. 198

Notice is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Monday, the first day of March next, to shareholders of record at the close of business on the 30th day of January, 1937.

By order of the Board.

S. G. DOBSON,
General Manager.

Montreal, Que., January 15th, 1937.

The Canadian Bank of Commerce

DIVIDEND No. 200

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1937, and that the same will be payable at the Bank and its Branches on and after Monday, 1st March next, to shareholders of record at the close of business on the 30th January, 1937. The Transfer Books will not be closed.

By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 22nd January, 1937.

Banque Canadienne Nationale

Dividend Notice

Notice is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 28th of February, 1937. This dividend, bearing the number 184, will be payable at the Main office or at the branches of the Bank, on or after the first day of March, 1937, to the shareholders of record on February 15, 1937.

By order of the Board,

CHARLES ST-PIERRE,
General Manager.

A. J. Pattison, Jr. & Co. Limited
Established 1907
For thirty years we have rendered a Standardized Service to
BANKS, INSURANCE AND TRUST COMPANIES, BROKERS, INDUSTRIAL CORPORATIONS AND INDIVIDUALS
IN BUYING AND SELLING
INDUSTRIAL AND PUBLIC UTILITY STOCKS AND BONDS
Royal Bank EL. 5101 TORONTO

DIVIDEND NOTICES

Borden's

COMMON DIVIDEND
No. 108

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable March 1, 1937, to stockholders of record at the close of business February 15, 1937. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

NOTICE TO SHAREHOLDERS OF GREENE STABELL MINES LIMITED

(No Personal Liability)

Information of importance to Greene Stabell shareholders is about to be mailed. It is therefore imperative that all shareholders register street certificates in their own name to ensure that they receive this information.

Transfer Agents: Trusts & Guarantee Co. Limited, 302 Bay St., Toronto Ont.

Dated at Toronto, Feb. 5, [illegible] J. E. HAMMELL
President

The Bank of Toronto

Dividend No. 222

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March next, to shareholders of record on February fifteenth, 1937.

By Order of the Board.

H. B. HENWOOD.
General Manager.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 289
EXTRA DIVIDEND NUMBER 34

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 25th day of February, 1937, to shareholders of record at the close of business on the 11th day of February, 1937.

Dated the 4th day of February, 1937.

I. McIVOR,
Assistant-Treasurer.

Tonnage Scarce For B.C. Exports

Settlement of U. S. Strike May Ease Situation

From Our Own Correspondent

VANCOUVER. — Termination of the tremendously costly maritime strike in the United States is not expected to cause any great change in the shipping situation in Vancouver, notwithstanding the fact that during the tie-up a large volume of freight that would otherwise have been handled in American ports was diverted to British Columbia.

Charter rates have risen rapidly everywhere, and tonnage is becoming scarcer for British Columbia exports, especially lumber. The release of tonnage in California, Washington and Oregon ports is expected to ease the strain to some extent, and this may offset some of the disadvantages that Vancouver would otherwise suffer.

CANADA WIRE AND CABLE COMPANY LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of $1.75 per share has been declared on account of arrears of dividends on the outstanding Preference Shares of this Company, payable March 20th, 1937, to shareholders of record March 1st, 1937.

By Order of the Board,

WILLIAM H. MARSH,
Secretary.

Canadian International Investment Trust, Limited

Preferred Dividend No. 13

Notice is hereby given that a dividend of 2½% has been declared payable on the 5% Cumulative Preferred Stock of the Company, payable on March 1st, 1937, to Shareholders of record at the close of business on February 15th, 1937.

By Order of the Board.

G. V. RYCKMAN,
Secretary.

Montreal,
February 9th, 1937.

NOTICE
MONETA PORCUPINE MINES LIMITED

(No Personal Liability)

The Company is offering 231,260 new shares at $1.25 per share, on a pro rata basis, to its Shareholders of record as at close of business February 20th, 1937. The Offering Letter (setting forth the terms of the offer) and Subscription Form have been sent to Shareholders. Anyone interested, who has not received these forms, should communicate at once with Chartered Trust and Executor Company, 34 King Street West, Toronto, Ontario.

W. E. SEGSWORTH,
Secretary.

Toronto, February 3rd, 1937.

McRuer Asks Return to Consumer From Profits Earned by Tariffs

Says Capital from Excess Earnings Belongs to Public

TEXTILES CITED

From the mass of intricate detail and compilation on the set-up of the textile industry in Canada which, of necessity, has featured his brief before the Turgeon Royal Commission, J. C. McRuer, K.C., commission counsel, has emerged with a new and somewhat startling proposal for controlling profits of subsidized industries.

In effect Mr. McRuer has submitted that where a Government has granted special privileges for building up any infant industry, all capital put back in to the business "over and above a reasonable return on the original investment represents an investment in that business by the consumer."

He submits therefore that it is unfair that tariffs or other special privileges should be placed at such a level that the consumer is taxed to pay dividends on capital which he, himself, has contributed to this business. Rather, Mr. McRuer contends, the consumer has the right to demand a return on his investment in the form of reduced prices.

"In considering investment and profits in the industry for the purpose of this enquiry, it must not be taken that what is said in this brief has any relation whatever to the measure of the profit that it is proper for industrialists to make out of production in Canada. All the observations herein are directed solely to profits made in the industries that have received at the hands of the Government special privileges which are in the nature of a right to levy taxes on the consumers of Canada for the particular benefit of the industry in question.

Check on Profits

"It may not be any part of the business of government and it is submitted that it is no part of the duty of this commission to pass upon what profit ought or ought not to be made in industry generally, so long as the industry asks no special privilege from the Government of the nation, but it is strongly submitted that if any industry asks the Government to intervene on its behalf and grant to it a special privilege, and the Government accedes to its request, it is part of the duty of the Government, and in respect to the textile industry it is part of the explicit direction given to this commission to see that careful investigation is made into the subject of investment, profits and costs in the industry.

"As has already been said, the consumers of Canada have a legal right to buy their requirements at the lowest price they are offered for sale in any market. No one has the legal right to interfere with this privilege in the absence of special legislation. The Government of Canada has by legislation interfered with this right in the interests of the textile industry by giving to it tariff protection for 75 years. It is therefore proper that this industry should be considered not from the point of view of an industry competing with producers of the world and enjoying no special privileges from the Government, but rather from the following points of view:

"1. What should the consumer justly be called upon to contribute to the support of the industry through a form of private taxation?

"2. What the consumers have contributed to the support of the industry in Canada.

"3. What has been done with the money contributed by the consumers for that purpose?

Consumers' Contribution

"It is submitted that where a protected industry does no substantial export business, all capital created through the operation of the business over and above a reasonable return to the investor on capital invested by him has been contributed by the consumer and not by the investor. It is further submitted that the protection of the industry cannot be justified for the purpose of providing a return to the investor, on the ground that he is entitled to a return on capital, employed in operations, that has been created out of profits earned in excess of a reasonable return on the capital invested by him.

"If a protected industry makes in profits a million dollars over and above a reasonable return on the money actually invested in the industry, the consumer has, in reality, been taxed to raise that million dollars (that is, assuming that the tariff protection is necessary). It is not just to the consumers that the investors should claim that million dollars as their capital and demand a further tax from the consumers to pay a return to the investors on that capital. It is more just that the consumers should say, 'We have invested in your industry a million dollars for the purpose of building up an infant industry and enabling you to meet competition from abroad; we therefore demand a return on our investment in the way of reduced prices through a reduction of tariffs now that we have paid for the establishment of the industry.'

"When reference is made hereafter to earnings on the capital employed on operations, it must always be remembered that a portion of that capital and, in many cases, the greatest portion of that capital has been provided by the consumers of Canada and not by the investors."

Illustration Given

For the purpose of more clearly illustrating his point, Mr. McRuer has given the following simple example of his doctrine:

A group of investors contribute between them $1 million for the purpose of starting a new industry for which they obtain tariff protection. For the purpose of illustration only, Mr. McRuer cites 10% as a reasonable profit on this investment. Of this 10% he suggests the group might decide to distribute 6% in dividends and put the other 4% back into the company. If this profit obtained over a period of years and a similar division was made each year, the company, it can be seen, would be steadily increasing its assets to a point where it would be legitimate to recapitalize on a basis of $2 millions. In such an event, Mr. McRuer does not contend that the tariff should be reduced to a point below which it would be impossible for this company to earn a reasonable return on its new capitalization of $2 millions.

If, on the other hand, the company had been able to earn profits in excess of what might be termed reasonable (in this case 10%) and the same policy was adopted, that is a distribution of 6% and a ploughing back of the balance, it will be seen that the company might recapitalize at an amount well over the $2 millions formerly mentioned, still without "watering" its stock. This excess over the amount of $2 millions, Mr. McRuer contends, belongs not to the investor but to the consumer who has been taxed this amount in excess tariffs. In this case, he submits, tariffs should be reduced to a point where the company is able to earn only a reasonable profit on the $2 millions and where it will be forced to reduce prices to the consumer.

Government Check

Mr. McRuer has made no proposal of how such a doctrine might be put into practice other than a general suggestion in his brief that there should be some Government check on excess profits ploughed back into a tariff protected industry.

The principal case in point in which Mr. McRuer, before the Commission, has charged that excess profits have been made at the expense of the consumer is that of Dominion Textiles Ltd.

After a review of the history of this company, he submits that "the consumers of Canada have paid in profits sufficient to pay back to all investors, i.e., bondholders, preferred and common stockholders, the whole of their investment, pay all the interest charges on the bonds, the dividends on the preferred stock and dividends on the common stock at the rate of 20% on the money actually invested, to pay for the entire buildings, plant and machinery, and to give the company a fund available for outside investment amounting to $24 millions, all in a period of 30 years."

Dominion Textiles

Mr. McRuer has traced the financing of the group of textile industries represented by Dominion Textiles Ltd. back to the original Hudon Cotton Mills in 1874. He claims that the formation of Dominion Textiles in 1904 was effected with an actual cash outlay of $1 million, $500,000 of which, he says, went to pay for the common stock which, he claims, has appreciated in value by $14,671,105, as well as paying to its holders dividends totalling $14,837,500.

Obstacles Seen

The first and fairly obvious obstacle to any method of applying the principles laid down by Mr. McRuer is brought out clearly in the factum submissions of Dominion Textiles Ltd. to the Commission. Mr. McRuer, it may be pointed out, has taken as the starting point of his argument the "original investment." In dollars and cents this can be shown clearly. On the other hand if the value of the original investment, the actual basis for earning power, is taken this might be as hard to determine as the value of a horse purchased at a fair.

Dominion Textiles submission, which incidentally challenged the figures used by Mr. McRuer in his calculations, points out that in 1904 of the four companies purchased three Merchants Cotton Co., Montmorency Cotton Mills Co., and Colonial Bleaching and Printing Co. "had got into financial difficulties" and that the syndicate "was able to acquire from the shareholders in the old companies at less than their real value the shares which they turned over to the new company."

"The return on the assets which it received," it is stated, "immediately afterwards and throughout the company's history indicates that they had a value at least equal to the par value of the securities which it issued to acquire them."

After quoting judgments of the supreme court of the United States on the fixing of rates for public utilities the Dominion Textiles brief concludes:

"It is obvious that it is the present value of the investment in a public service or in an industry which should be considered and not the cost thereof when it is remembered that a rule must work both ways. If, for instance, owing to mistakes in judgment or to market conditions or other causes, the value of a property representing investment in an industry whose tariff protection is to be fixed is worth less than that property cost at the outset the company would not be entitled to a rate nor the industry to a tariff protection based on the original cost."

Pros and Cons

Charged by J. C. McRuer, K.C., senior counsel for the Royal Commission enquiring into the textile industry that:

* * *

Although highly organized themselves, the textile industries generally denied the same right to their employees and took "prompt" steps to frustrate any such organizations among the workers in their plants.

* * *

Had Dominion Textiles not paid out such large sums in dividends on the common stock the company would have had abundant funds to finance all operations and put it in a position today of having been so well established by profits contributed by consumers in Canada that it would have been able to compete with little or no tariff protection.

* * *

It is imperative that the law of competition be restored in Canada. The large manufacturers of yarns who were also weavers were given a virtual monopoly on the cotton yarn business of Canada. Canadian Celanese has monopolized the field in cellulose acetate products in Canada. Arrangements for limiting competition in almost every branch of the textile industry have been developed during the last five years. The majority of these arrangements were directed by Douglas Hallam.

* * *

Specific duties bear more heavily, in proportion to the value of the goods, on purchasers who have not the ability to pay, than on those who have.

To which R. L. Kellock, counsel for the Primary Textile Institute replies that:

* * *

The textile industry pays wages from 60 to 90% higher than the British textile industry, paid definitely higher wages than in the United States until the N.R.A. and pays wages immeasurably higher than those in Japan.

* * *

The industry has been noteworthy for the degree in which it has refrained from paying out its earnings in the form of dividends, having on the contrary used the earnings to develop the industry, passing on to the public the benefits of large scale operations. The industry has kept step with modern invention and maintained itself in a position to pass on to the buying public all resulting improvements in quality of merchandise and decreases in costs of production.

* * *

Attempts to stabilize prices have been confined to a few of the large variety of products made by the Canadian textile industry. These were brought about by undesirable conditions in connection with highly competitive lines, the price level of which had been forced below cost of production and resulted in no undue enhancement of price in any case. Any success met with in establishing fair trade practices has been in the interests of fair and proper standards of doing business.

* * *

Fixed valuations for duty purposes are the most satisfactory means of equalizing low costs of production in other countries and Canadian costs of production.

Wheat, Flour Export Prices At High Point

Total Returns Best in Years — Flour Volume Off

From the standpoint of price Canadian wheat and flour exports for the year ended with January are generally considered satisfactory. Unit prices in both cases are the best in the last four years. But while volume of wheat shipped is also at a high point, this has been made at the expense of reserves from the previous three years and cannot be maintained permanently without heavy new crops in the future. As for flour volume, this has shrunk steadily from 1929 on and so far in the last 12 months has shown no indication of improvement.

Details as supplied by the Dominion Bureau of Statistics are as follows:

Flour Exports

Jan.	Average Price	Barrels	Total Value
1937	$5.09	313,923	$1,600,015
1936	4.17	314,311	1,310,929
1935	3.80	346,096	1,315,644
1934	3.37	448,498	1,514,424
Dec., 1936 .	4.97	475,282	$2,362,644
12 Months Ended January			
1937	$4.31	4,849,683	$20,927,804
1936	3.91	4,849,269	18,996,335
1935	3.67	4,951,333	18,178,703
1934	3.44	5,621,618	19,369,136

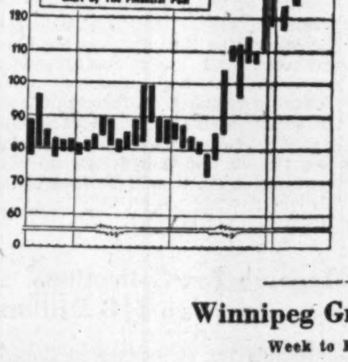
Wheat Exports

Jan.	Average Price	Bushels	Total Value
1937	$1.22	9,789,027	$11,974,334
1936	.86	7,557,320	6,497,470
1935	.79	5,380,226	4,265,575
1934	.65	7,088,311	4,613,824
Dec., 1936 .	$1.12	20,427,916	$22,893,086
12 Months Ended January			
1937	$0.94	245,273,237	$232,390,627
1936	.83	167,849,765	139,384,702
1935	.78	166,204,970	130,809,468
1934	.65	184,656,371	120,389,237

Need More Exports

Ten years ago Canada had an annual flour export volume of 10 million barrels or twice total shipments of last year. But double the present export would not be needed to bring about a return of these prosperous days in the milling industry. It is estimated that a gain of two million barrels would be sufficient or a total annual export of about seven million barrels. The difference between this figure and the old 10-million export would be offset by the present better relations in the domestic market, the economies learned during the depression and the continuance of the present more profitable unit return on export business.

Wheat Prices



(Cash Quotations)

	For Week Feb. 9 High	For Week Feb. 9 Low	Prev. Week High	Prev. Week Low
1 Man. Hard ...	1.30⅜	1.25	1.22⅝	1.19¾
1 Northern	1.30	1.24⅝	1.22	1.18½
2 Northern	1.28⅛	1.22¾	1.20⅛	1.16⅝
3 Northern	1.25⅜	1.20	1.17⅜	1.13⅞
4 Northern	1.19⅜	1.14	1.11⅜	1.07⅞
5 Wheat	1.15⅜	1.10	1.07⅜	1.03⅞
6 Wheat	1.14⅞	1.09½	1.06⅞	1.02⅞
Feed Wheat	.96⅜	.91	.88⅜	.84⅞
Vancouver: Week to Feb. 8:				
1 Northern	1.31⅛	1.23¾	1.22½	1.18⅝

Competitive Export Prices:
Feb. shipment.

Week to Feb. 6

	High	Low
No. 1 North. (Vanc.) ..	1.50	1.44¾
No. 2 North. (Atlan.) ..	unquoted	
No. 1 North. (afloat) ..	1.49¼	1.42
No. 2 North. (Vanc.) ..	1.47¾	1.41¼
West Australian (afloat)	1.37¾	1.33¼
Australian	1.33¼	1.25⅛
Argentine Rosafe	1.21	1.14⅞
Indian (choice Garachi).	1.29⅞	1.24¾

Winnipeg Grain Futures

Week to Feb. 9, 1937

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Feb. 3	High for week	Low for week	Close Feb. 9
		Wheat				
1.30¾	1.05⅝	May	1.22	1.29⅞	1.22⅝	1.28¼
1.26⅝	1.03¾	July	1.19½	1.24½	1.19	1.23¼
1.15	1.04⅛	Oct.	1.08⅝	1.13⅜	1.08⅝	1.12⅜
		Oats				
.58	.42¼	May	.55½	.56⅜	.55	.55¾
.55⅛	.43⅜	July	.52⅝	.53½	.52⅛	.52⅞
		Barley				
.88⅝	.50⅞	May	.81	.82¾	.80⅝	.81½
.77¼	.56¾	July	.70	.72	.69⅝	.70¾
		Flax				
1.75⅞	1.60½	May	1.71	1.73¼	1.68	1.71
1.76	1.63¼	July	1.70	1.72¼	1.68¾	1.69⅞
		Rye				
1.14⅞	.62⅝	May	1.06	1.10⅝	1.06	1.09⅛
1.12⅛	.78¼	July	1.02⅝	1.05⅛	1.02	1.03⅞
.92½	.83⅜	Oct.	.89¼	.91¼	.88⅛	.88⅞

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Rail, Road and River 3

Pitfalls on Seaways

Prof. Swanson Urges Caution in St. Lawrence Project— Suggests Toll Charge on Waterways

By PROF. W. W. SWANSON
Head of Economics Department University of Saskatchewan.

In the early days of French settlement in Canada attempts were made to provide small canals to avoid some of the worst portages around the rapids of the Great Lakes-St. Lawrence waterway. Military needs in pre-railway days led to further developments in this direction.

W. W. SWANSON

As the main movement of freight on the Great Lakes was of bulky commodities, there was good reason for the development of large ships to carry grain, ore and coal. It was an equally logical move to construct a canal at Sault Ste. Marie, thus opening to the movement of these large ships all of the Great Lakes except Ontario. The Soo canals were artificial straits joining large bodies of water, exactly as the Panama and Suez Canals do.

A ship canal from Montreal to the eastern end of Lake Ontario would be quite a different thing. Long stretches of river navigation such as this, are, traditionally throughout the world, improved by the use of shallow draft canals, and the traffic on them is conducted in barges. The Manchester Ship Canal is a mere extension of Liverpool harbor to Manchester; and there is no case on record of any attempt to carry out a plan like this for such a distance as that from Montreal to Kingston.

Welland Canal

In the days of careless optimism no one paid much attention to such principles as this, and the country gaily engaged in the construction of the Welland Canal without much thought of what it was about. If this were to be a mere extension of the Upper Lakes navigation system to include Lake Ontario it was a wasteful method of expending the $130 millions which that canal cost. It would take a lot of traffic to pay for such a public work. Traffic through the Welland Canal has amounted to a little over eight million tons per year since the canal was put into full operation. Four per cent annually on $130 millions is over $5 millions. It does not seem probable that all the movement through the Welland Canal is of such types of goods that the advantage of shipping them in large Upper Lake boats as far as Kingston or Prescott is worth some 62 cents per ton more than if they had continued to be handled in canal type boats as far up as Buffalo or Port Colborne. That was all the advantage that the Welland Canal conferred on commerce.

Since we started, however, on the extraordinary course of deepening the waterway from Lake Erie to Montreal at its upper end, the investment of $130 millions in the Welland Canal has been consistently used since as an argument for deepening the canal from Kingston or Prescott to the sea.

Deep Waterway

Perhaps, had we not been faced in early days by certain military necessities, the development of the St. Lawrence Waterway below the Great Lakes, and, indeed, as far as the head of Niagara Falls, might have followed the custom established throughout the world, and have taken the form of an improved shallow draft waterway provided with good locking devices. It is not without interest to remember that when alarmists try to point out to Montreal that Albany, on the Hudson, will take away its business, they are merely suggesting that the shallow draft barge canal operated through New York State can compete with a deeper waterway. It is extremely doubtful if the answer to that would be to deepen still further the St. Lawrence route.

The chief difficulty in assessing the wisdom of any canal policy in Canada is that since 1904 we have, in one of our typical gestures of national generosity, made the use of the Canadian canal system free of toll. This privilege has, indeed, been extended—not only, as treaty necessities made inevitable, to the shipping of the United States, but to all the shipping of the world. There seems something wrong in a system by which a Norwegian steamer can take grain from Fort William to the sea without paying any charge for the use of this great and costly inland waterway.

The $3 billions of investment in the Canadian National Railways and the $100 millions a year subsidy to highway traffic dwarf the smaller financial problem of the waterways, but it is not too small a problem to deserve consideration.

Canal Expenditure

F. V. Stone, in 1931, calculated that, had a commercial company carried on the canal operations of this country as they have been conducted, compounding of interest on capital expenditures and deficits would have produced a corporate debt of $900 millions.

Total capital expenditures on the canal system to date are now in excess of $268 millions.

During the five fiscal years April 1, 1930, to March 31, 1935, staff and repair expenditures averaged over $2.5 millions, and total revenue averaged $910,000. As no tolls are charged for the use of the canals the revenue is all drawn from leases of water power and other property.

Assuming 4% interest on capital the average annual deficit in recent years would be in the neighborhood of $12.4 millions.

It would appear that total Canadian tonnage handled through the Canadian canals plus Canadian traffic through the U. S. Soo Canal would exceed 11.3 million tons. The correction of other duplications would reduce this figure considerably. Probably a correct figure would be in the neighborhood of eight to nine million tons.

When this figure is set against the operating deficit of the canal system, it becomes apparent that the subsidy per ton on freight handled on the canal systems is a considerable one—at least $1.35 per ton of actual traffic.

Tolls Suggested

Dr. Peter McGibbon, M. P., suggested in the House of Commons two years ago that canal tolls should be imposed in an effort to make the canal system self-sustaining, but his plan received little attention.

He buttressed his argument with the startling instance of the iron ore movement from Point Edward to Hamilton. At one time a considerable tonnage of iron ore from the Duluth district used to reach Hamilton by water to Point Edward at the upper entrance of the St. Clair River, and by rail from there to Hamilton. The revenue accruing to the Canadian National Railways from this traffic was very large, and the movement was a highly profitable one. The construction of the Welland Canal abolished this movement, and it is now carried on by ships under the American flag, by water all the way. In view of the unprofitable position of the Canadian National Railways Dr. McGibbon logically objected to a competitive facility being given at public expense.

Established custom would seem to justify permitting the western grain crop to continue its free use of canals, or to use them at a very low charge. There would seem to be no other reason for avoiding the principle that tolls should be charged on the canal system sufficient to produce a revenue which would meet operating expenses and service the capital invested. No serious burden would be imposed on Canadian business, and a measure of justice would have been done to both the public and privately owned land transportation systems of the country, which provided their right of ways at their own expense.

The major objection which has always been offered to a reasonable attempt to make the canal system self-sustaining is that our treaty with the United States prevents the imposition of tolls. Study of the subject does not bear out this contention. Our obligations are to give the United States ships equal access to our waterways with Canadian vessels. If tolls are charged on both Canadian and United States shipping in equal amounts, the treaty has not been either broken or evaded.

There is no possible obligation on Canada to continue the free use of its canal system by other foreign shipping.

Seaway Project

It would be improper to discuss the waterway question without giving some consideration to the great project for a deep waterway from the ocean to the Head of the Lakes.

Great confusion has been created by bringing into this subject the question of the development of power as a by-product of the improvement of navigation. The possibilities in this direction are so important that it is unquestionably proper to consider the two projects as mutually interdependent. On the other hand, it is by no means clear that power development on the rapids of the St. Lawrence necessarily involves the enlarging of our canal prisms.

It would be entirely reasonable to suggest that all such power developments should be made with potential navigation improvements in mind; but evidence for the direct and tangible advantages of these navigation improvements should be demanded before large sums of new capital are expended on them.

The voluminous literature of the St. Lawrence Waterway question contains little in the way of evidence that ocean shipping would actually use the projected deep waterway. Economists and engineers have toyed with this question, and public authorities have investigated it; but there seems to have been no attempt as yet to approach ocean shipping interests with a definite question concerning their attitude to these waterways, if and when completed.

Need for Caution

The arguments in favor of this project have often taken the rather extravagant form of suggesting that enormous savings in grain transportation costs would result. The saving per bushel in handling wheat from the Head of the Lakes to the ocean has been put as high as nine cents or more. This figure is perhaps twice the total current charge for moving a bushel of grain from Fort William to the head of ocean navigation at Montreal.

The incidence of saving in transportation costs is a subject full of pitfalls, and it cannot be taken as proved that such comparatively small savings in operating costs as would really result from permitting the Upper Lake grain carriers to reach Montreal would increase the selling price of grain in Western Canada. Even if this be taken as proved, there still remains the question of how the Government is to recoup itself for the expenditures involved.

On the whole the weight of evidence would seem to be in favor of caution in taking a decision to engage in large scale public expenditures in connection with the projected St. Lawrence Waterway.

The development of water transportation facilities for the use of the country is a thoroughly normal activity of the Dominion Government, but world-wide custom—outside of North America—has been to make the provision of such services a charge against their users and not against the general revenue. This method of dealing with the question places its economic intricacies in plain sight, and is a thoroughly certain method of limiting unnecessary expenditures of public money.

International Payments Show Improvement in 1936

Canada's balance sheet of international payments for 1936 shows marked improvement over 1935 on both current and capital accounts, according to preliminary figures released by the Dominion Bureau of Statistics.

On current account, which includes goods, services and gold, exports exceeded imports by $318 millions compared with a net credit in 1935 of only $140 millions. Increased commodity trade, larger gold exports, and better tourist trade all contributed to the improvement. At the same time dividend and interest payments paid to foreign sources were higher.

Commodity and tourist trade recorded the most marked improvement. Exports of commodities totalled $953.9 millions compared with imports of $627 millions, leaving a net credit of $326.9 millions. This compares with commodity exports in 1935 of $740 millions, exports of $542 millions and a net credit balance of $198 millions.

Expenditures by tourists in Canada in 1936 is estimated at $250 millions and expenditures by Canadians abroad at $85 millions. In 1935 expenditures by tourists in Canada amounted to $179 millions and expenditures by Canadians abroad at $79 millions. The net credit in 1936 was $165 millions as against $100 millions in 1935.

Of the $318 millions of surplus credits revealed on current account only $227.5 millions are accounted for in the capital account by the net outward transfer of capital funds from Canada. The net difference of $90.7 millions between these two amounts is made up of errors or omissions in the estimates.

The capital debit of $85 millions described as "other known capital movements" is a net figure showing the approximate payments from Canada arising principally from the operations of the numerous British and foreign branch plants in Canada and from the operations of Canadian firms outside of Canada.

1936 BALANCE OF INTERNATIONAL PAYMENTS
Current Account of Goods, Services and Gold
(In Millions of Dollars)

	Exports Visible and Invisible $	Imports Visible and Invisible $	Net Debit (—) or Credit (+) $
Commodity trade (adjusted)	953.9	627.0	+326.9
Exports and imports of gold coin and bullion	126.8	1.0	+125.8
Freight receipts and payments, n.o.p.	50.0	68.0	— 18.0
Tourist expenditures†	250.0	85.0	+165.0
Interest and dividends	80.0	330.0	—250.0
Immigrant remittances	7.0	9.0	— 2.0
Government expenditures and receipts	6.5	12.0	— 5.5
Charitable and missionary contributions	1.0	1.5	— 0.5
Insurance transactions	....	‡16.0	— 16.0
Advertising transactions	2.3	1.8	+ 0.5
Motion picture earnings	....	3.0	— 3.0
Capital of immigrants and emigrants	1.9	3.5	— 1.6
Earnings of Canadian residents employed in U.S.A.	‡1.6	....	+ 1.6
Miscellaneous payments, including direct magazine subscriptions, entertainers' earnings, etc.	....	‡5.0	— 5.0
Total credits and debits shown above	1,481.0	1,162.8	+318.2
Difference between credits and debits as above. (This difference is made up of capital movements and errors and omissions)	....	318.2	......
	1,481.0	1,481.0	......
Capital Account	Cr. $	Dr. $	$
Sales and purchases of securities	410.5	408.0	+ 2.5
Retirements	....	255.0	—255.0
New series (including refinancing)	110.0	....	+110.0
Other known capital movements	......	‡85.0	— 85.0
Balancing item— Net outflow of capital funds	227.5	....	......
	748.0	748.0	......

†Provisional estimate. Final figures may differ substantially.
‡Net figure.

Chase National Acquires Graustein's I. P. Stock

From Our Own Correspondent

MONTREAL.—Holdings of A. R. Graustein, former president of International Paper and Power Co., have been acquired by Chase National Bank of New York in settlement of a debt.

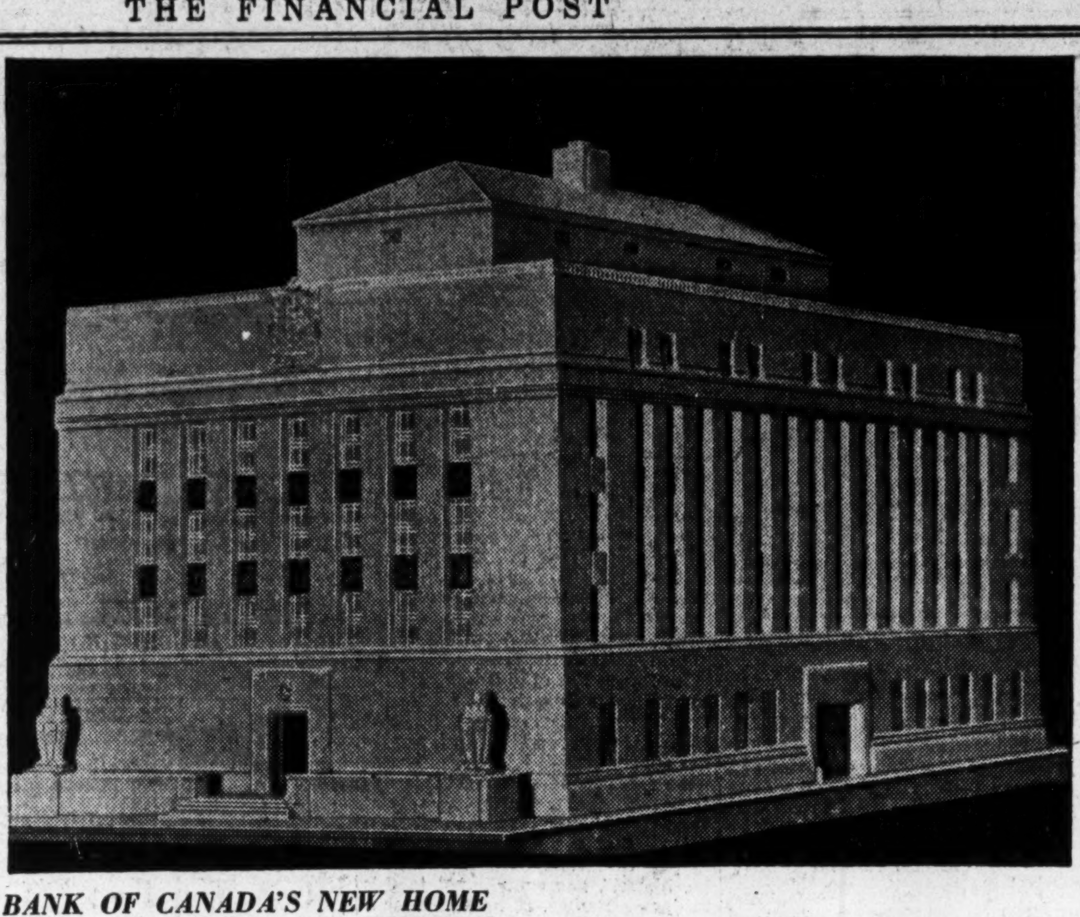
The I. P. & P. stock which changed hands has a total value of $2.4 millions of current quotations on the New York Stock Exchange. It consists of 41,000 shares of class A common, 41,000 of class B common, 181,000 of class C and 2,764 shares of 7% cumulative preferred. Deducting these from Mr. Graustein's previously reported holdings, he appears to retain 5,000 shares of each class of common and 30 shares of preferred

At the end of last year Chase National Bank held 9.7% of the class A stock outstanding, 25.7% of the class B and 22.7% of the class C, according to information reported to the Securities and Exchange Commission.

Electrolux Corp. Declares Extra on Common Stock

From Our Own Correspondent

MONTREAL.—Directors of Electrolux Corp., stock of which is listed on the Montreal Stock Exchange, have declared a dividend of 40 cents a share and an extra dividend of 10 cents a share on the common, payable March 15 to shareholders of record Feb. 15.



BANK OF CANADA'S NEW HOME

Tenders for the construction of the new head office building of the Bank of Canada have been called, and it is expected building operations will begin early this spring. The bank's new home will be on the south side of Wellington St., Ottawa, running through to Sparks St.

A photograph of a model of the structure as it will appear when completed is shown above. Present plans, however, call for only a part of construction. First consideration in planning the building, which will be of stone exterior, has been given practical convenience and working efficiency. Special emphasis has been placed on the security provisions of the vaults and other safe-keeping equipment.

Marani, Lawson & Morris, Toronto, and S. G. Davenport, Montreal, are architects of the building.

Many New Social Laws In Quebec Programme

Minimum Wages for Males, Abolition of Child Labor Duplessis' Aim

From Our Own Correspondent

QUEBEC CITY.—Broad outlines of social legislation which the Union National Government intends introducing during the session opening Feb. 24 have been announced by Premier Duplessis, and a lengthy list of legislation is promised.

The Province of Quebec, which has been accused of being backward in its labor legislation, will no longer be accused of this failing if all the legislation scheduled for the session goes through, which is not at all improbable. Among the laws promised is one providing for a minimum salary for men, another to gradually abolish child labor, one for the creation of an economic council — which will probably replace the Legislative Council of the Province—and another providing assistance for needy and indigent mothers.

To Halt Stock Watering

These are but some of the many contemplated laws, on which work is actually under way by the cabinet and the various departments. There are others yet to be tackled, which include a law to protect salaried employees against unjust dismissals, and a law to amend the Companies Act in such manner as to prevent "watering" of stocks.

Then the Government intends appointing a number of inspectors to make sure that the Lord's Day Act is respected and that no unnecessary labor of any kind is performed in any industrial plants.

Premier Duplessis has also stated the Government intends amending the Workmen's Compensation Act, but he has not intimated what form this amendment will take. It would not be surprising, however, were it to refer to the right of an injured workman to choose his own doctor, or else provide for the payment of compensation as soon as possible after the accident.

Want Labor's Views

Another matter of social legislation which is tentatively scheduled is abolition of the Workmen's Compensation Commission, which is headed by R. A. Taschereau, cousin of Quebec's ex-Liberal Premier. This abolition, however, is not intended as a political motive, but merely as a means of better administering labor laws, since the Commission would probably be shifted, under another name, to the Department of Labor. No action will be taken, however, before various labor unions have expressed their opinions regarding the utility of a body such as the Workmen's Compensation Commission.

After Better Pension Law

Catholic Labor unions have suggested that the Government study working conditions for newspapermen in the province, old age pensions—an old age pension law became effective last year, but labor unions feel it could be improved upon—vacations with pay, obligatory licenses for merchants, dealers and industrialists in cases where health conditions greatly affect labor, etc.

In addition, the Prime Minister has also promised that legislation will be introduced which will tighten up laws and protect the investing public. This is expected to be one of the first statutes the Government will bring down, and as considerable high-pressure salesmanship is going on throughout the province, with stock vendors making use of long-distance telephone to contact clients, and then follow up with personal calls, it will be interesting to watch what action will be taken by the Government.

Income Tax Collections Increase $18 Millions

Income tax collections in Canada for the ten-months period ending Jan. 31, 1937, showed a gain of $18,490,444 over the corresponding period in the previous year. Toronto led all the districts with a total of $31,787,855, an increase of $7,663,286. Montreal was second, with $25,211,996, an increase of $2,774,313. Ottawa district showed an increase from $4,950,959 to $8,101,283.

Peterborough County, Ont., reports a surplus for the first time in several years, the surplus in 1936 amounting to about $3,000.

Plan Expansion At Chrysler Corp

An expansion project of considerable size is under consideration by Chrysler Corp. of Canada, The Financial Post is informed. The extent and nature of the project has not yet been fully decided upon, however.

It is believed the development will involve the expenditure of several million dollars in and around the Windsor area and will permit Chrysler to greatly increase the Canadian content of its cars. There is a possibility that the new plans may also involve erection of an engine plant in Canada.

Winnipeg Institute Forms Grad. Society

R. P. Simpson, of the Sun Insurance Office, has been elected president of the recently formed Graduates' Society of the Insurance Institute of Winnipeg. The new society has a programme consisting largely of study and discussion groups.

Officers elected to the executive at the inaugural meeting are: Hon. president, C. McE. Nichols, Prudential Assurance Co.; president, R. P. Simpson; vice-presidents, D. Bruce Murray, Canadian Pool Agencies, and Miss P. Grant, Bingham & Bingham, Ltd.; secretary-treasurer, R. K. Jordan, Western Canada Insurance Underwriters' Association; executive members, Miss E. Brookes, Western Canada Insurance Underwriters' Association, R. Philpot, Prudential Assurance Co., J. L. Wallace, Union Insurance Society of Canton.

Conserve Water In Saskatchewan

Many Small Dams Ready to Check Spring Run-off

From Our Own Correspondent

REGINA.—When spring waters flow in Saskatchewan they will not "run-off" and be lost as in previous years, according to John Vallance, chairman of the Prairie Rehabilitation Board, with headquarters here.

Mr. Vallance predicts that in Saskatchewan alone dug-outs on farms, dams in streams and other means of holding back water will conserve some five billion gallons, enough water to keep 530,000 people supplied at three pints a day for their normal life span.

Conservation of this water will allow growing of feed supplies in greater quantity for cattle and thereby take out of the red some of the feed costs the federal and provincial governments have been forced to meet.

It will also benefit cattle, save time for farmers who have in the last few years been forced to travel miles to obtain water supplies when their wells ran dry. Cattle can travel only a few miles before they start to lose weight in their search for water.

Doubtful if Aberhart Could Win in New Vote

Social Credit Losing Followers at Rapid Rate in Alberta — Revolt Against Government Becomes Apparent in Rural Areas

From Our Own Correspondent

EDMONTON.—Marked decline of enthusiasm for Social Credit and of the popularity of the Aberhart administration is reported from many rural points in Alberta.

The importance of this development lies in the fact that the country vote figured largely in the overwhelming Aberhart victory in 1935, and for the first time since the election reports on public sentiment are unanimous in indicating a drift away from Aberhart. The common observation of visitors to Alberta that an election would return Mr. Aberhart's forces is no longer true.

Have Many Complaints

Uncertainty over Government policies and failure to fulfill Social Credit promises to restore prosperity are the main explanation offered for the change, while importance is also credited to increased taxation, failure to resume payments on savings certificates, concern over mounting ordinary expenditures, packing of the civil service with Social Crediters, and the indecisive treatment given many important issues by the Government.

These are items in the account one hears the people of Alberta charging up against their Government. Since the hope of seeing the povertyless system of Social Credit has faded fast, the balance is becoming heavily weighted against the Government in the popular mind.

Confidence Shattered

Overshadowing all else just now is the fact that Premier Aberhart is rapidly losing confidence and shattering his prestige because he remains silent, neither admitting failure, or even difficulties, nor promising a new start, nor taking the public into his confidence regarding changes in his plans.

While there is no word from the Government, some of its followers are not reticent. Typical of the explanation presented to their constituents by private members, is the statement of N. B. James, M.L.A., who said the Government had made mistakes, admitted them, and retraced its steps.

But there has been no hint from Mr. Aberhart or any minister that such is the case.

That the idea of coercion is held strongly by a section of the Aberhart following, is confirmed by Mr. James. Speaking of persons who would not co-operate, he said: "If it comes down to it, we'll make these people co-operate or get out of the province."

To Cut Interest Again

Many signs, including propaganda news items in the Government newspaper, point to a further reduction of interest on Alberta Government debentures, either by order-in-council or by legislation in the coming session.

The position is fairly clear. Expenditures are running ahead of budget estimates, and by voluntary surrender of its credit facilities, the Government lacks means to finance a deficit of any size. Of three possible ways to balance the budget cutting forcibly fixed debt charges is certain to be most attractive to the Social Credit caucus. Alternatives are to increase taxation and to reduce expenditures.

It is possible that repudiation of debt charges may be carried to the extent where the taxpayer is given some relief, since the Government is sensitive to the discontent aroused by its 20% tax revenue increase a year ago. Several private members have promised tax cuts this year. Actually the wisdom of holding fast to all sources of revenue prevails in the cabinet but a further gesture against the bondholders would have political value.

Ready With Machinery

As far as Social Credit goes, the Government is already amply equipped with powers to set up its proposed system, though it lacks the money to do it. Further legislation for Social Credit would be for political effect only. The Social Credit Measures Act, April 3, 1936, empowered the Government to adopt any plan it desired. The Alberta Credit House Act, Sept. 1, 1936, set forth in detail the Aberhart scheme of a credit economy, and empowered the Government to make any changes it saw fit, by order-in-council.

Thus, the Government could, if it wished, set up a system of credit entries of any kind merely by executive order. The only instance it has used these powers was in authorizing Prosperity Certificates.

Banks Close 70 Branches

Branches of Canadian chartered banks registered a net decline of 70 during 1936, as against 105 in the previous year. Offices at the year end totalled 3,502, of which 3,355 were in Canada. Comparative figures for 1935 are 3,572 and 3,423, respectively.

Most branches closed last year were in Ontario and Quebec, these two provinces accounting for almost half the total. Manitoba showed the greatest relative change with the other Prairie Provinces showing more moderate reductions. Once again, the Canadian Bank of Commerce leads in the number of offices closed, with a total of 29. In the last two years, the Commerce has closed 59 offices.

Comparative figures for the last three years are as follows:

Branches Operated by Canadian Banks at Dec. 31

	1936	1935	1934
Ontario	1,196	1,216	1,280
Quebec	1,060	1,073	1,093
Nova Scotia	134	134	134
New Brunswick	97	97	98
Pr. Edward Island	27	27	27
Manitoba	173	184	193
Alberta	200	209	215
Saskatchewan	277	289	300
British Columbia	187	190	196
Yukon	4	4	4
Total in Canada	3,355	3,423	3,529
Newfoundland	25	25	25
Elsewhere	122	124	125
Total	3,502	3,572	3,679
Barclays	2	2	2
Commerce	592	621	661
Dominion	131	130	133
Nationale	531	533	551
Imperial	187	194	196
Montreal	521	537	532
Nova Scotia	316	316	324
Provincial	313	313	317
Royal	737	750	773
Toronto	172	176	170
Total	3,502	3,572	3,679

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Beverley Baxter

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Changes Seen In Anthracite Customs Rules

New Regulations Likely to Follow Tory Commission Report

QUERY PREFERENCE

From Our Own Correspondent

OTTAWA.—New customs regulations regarding the importation of anthracite coal into Canada are forecast as a result of the Royal commission report recently submitted by Dr. H. M. Tory. Coals which have been entered at some ports as anthracite have entered others as bituminous, in spite of the difference in duty, it is asserted. The proposal is to have analyses of the coal made so that it can be determined scientifically whether coals belong in one category or the other. In appearance many of the coals are indistinguishable.

Consumers Saved Money

The continued use of the Combines Act to forestall or end price fixing or other injurious restraints of trade is also proposed. It was established by the Tory investigation that the Combines Enquiry of 1933 saved the coal consumers of Canada large sums of money, the price trend subsequently being downward in the face of exchange movements and other developments calculated to enhance the price in Canada.

The Tory report found no evidence of price fixing at the present time. It did, however, establish that the bulk of anthracite coal entering Canada came in through two companies with close business affiliations. It urged the importance of retaining competition from the various countries which are able to supply the type of anthracite coal which Canada uses.

Question Preference

There was nothing in the report which suggested that the Canada-U.K. pact might be involved by Government action. But the existence in Wales of a single dominant producer of a low-fusion ash anthracite for which Scottish and American anthracite is not competitive, raised a question in the mind of the commissioner as to the desirability of continuing the tariff preference.

Referring to the fact that Amalgamated Collieries and T. T. Pascoe Company of Wales supplied 84% of all Welsh anthracite coming into the Ontario-Quebec market in 1933-35, Dr. H. M. Tory said:

"It is practically certain from an economic point of view that the public interest would be better served if Amalgamated Collieries and T. T. Pascoe sold freely in the open market to all responsible importers. (It was shown that Amalgamated Collieries had given an exclusive agency in Montreal and Quebec districts and in the province of New Brunswick to the British Coal Corp., and to Milnes Coal Co. in Toronto).

"This is especially true where the buyer has the exclusive right to receive such anthracite, but is under no obligation to take all the anthracite economically available.

"The argument becomes still stronger when applied to a market in which a substantial preference is conceded. If a dominant producer in the preferred area confines the benefits of a business and the tariff preference to a single buyer, the question may well arise whether or not the continuation of a preference is desirable."

Preference 50 Cents

The present British preference on anthracite coal is 50 cents a ton, British anthracite entering Canada free of duty. Other anthracite pays 50 cents a ton and 3% excise duty.

The preference is a United Kingdom trade agreement item, and could not be altered without mutual consent. Before 1932 the preference was 40 cents a ton.

Howe Sound Earns $5.31

Higher Copper Prices Aid Large Holding Company

Steady expansion at the Britannia B. C. Mine of Howe Sound Co. with the result that operations at the end of 1936 were 80% of capacity, as compared with 25% at the beginning of the year, is recorded in the annual report of Howe Sound for the fiscal year ended Dec. 31, 1936.

Earnings per share for the year amount to $5.31, as against $4.94 the previous year. Improvement is credited to higher prices for copper.

The balance sheet shows current assets of $7,434,116, against current liabilities of $801,337, leaving working capital position of $6,632,779, as compared with $6,148,832 at the end of the previous fiscal year.

The company's investments in shares of subsidiary companies showed no change from the previous report.

Consolidated income and surplus account for the last two years is as follows:

Consol. Income and Surplus Acc't
Years Ended Dec. 31

	1936	1935
	$	$
Operating revenue	13,018,689	11,618,342
Less oper. expenses:		
Mining	1,857,824	1,626,924
Transport	221,278	182,439
Milling	677,851	600,122
Marketing	6,060,838	5,794,676
Admin.	235,636	231,311
Less: Invent. val. metal sold	256,288	148,360
Net oper. earnings	3,708,974	3,034,510
Add: Other income	208,977	676,308
Total net earnings	3,917,951	3,710,818
Less: Deprec.	335,424	265,216
Taxes	1,063,543	1,103,876
Net profit	2,518,984	2,341,726
Less: Dividends	2,297,886	1,918,854
Surplus for year	221,098	422,872
Add: Prev. surplus	13,765,122	13,219,974
Capital surplus	431,483	431,483
Balance forward	14,417,703	14,074,329

*Includes income tax adjustments prior years

Earnings per share and divds.

Earned	$5.31	$4.94
Paid	4.84	4.05

Tecumseh, Ont., relief grant from the Ontario Government will be $15,000 less in 1937 than in 1936. In January, 1937, there were 800 persons on relief, compared with 1,000 in the same month of 1936.

Company Reports

Eastern Trust

Further increases to the reserve fund, a gain in assets under administration and slightly higher earnings are reported by Eastern Trust Co., Halifax, N. S., for the year ended Dec. 31, 1936. Net profit of $105,635 or $10.57 a share was ample for the $8 dividend requirements and compared with $105,391 or $10.54 a share in 1935. The company increased reserves by $25,000, bringing the total to $275,000.

Deposit certificates increased to $6,682,138 against $5,807,244 in 1935, secured by assets of $7,981,288 compared with $7,080,759 in the previous year.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,200,000	84,393	8	8.43
1932	1,200,000	80,533	8	8.05
1933	1,200,000	80,336	8	8.04
1934	1,225,000	105,530	8	10.56
1935	1,250,000	105,391	8	10.54
1936	1,275,000	105,635	8	10.57

*Less tax reserves, directors' fees and amounts written off.

Public Liabilities and Assets

	1936	1935
	$	$
Deposit certificates	6,682,138	5,807,244
Secured by:		
Liquid assets	5,030,067	4,194,612
Mortgages	1,652,070	1,612,632
Net capital assets	1,299,151	1,273,515
Total	7,981,288	7,080,759
Estates, etc.	49,331,026	49,377,960

Real Estate Loan

Net profit of Real Estate Loan Co. of Canada, Toronto, in 1936 showed a small increase at $20,239 after deducting $30,000 for reserve, compared with $20,017 after deducting reserves of $25,000 in 1935. Net was equal to $4.04 a share against $4 in 1936. Dividends were unchanged from 1935, at $2 for the year.

A minor increase in debentures from $753,239 in 1935 to $754,175 in 1936 was accompanied by a rise in assets from $1,517,603 to $1,518,172. Liquid assets were higher.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	810,000	38,802	7	7.76
1932	810,000	44,081	7	8.82
1933	795,000	32,640	5	6.53
1934	770,000	17,303	2½	3.46
1935	750,000	*20,017	2	4.00
1936	750,000	*20,239	2	4.04

*Before deducting mortgage reserve of $5,000 and real estate reserve of $2,000 in 1936.

Public Liabilities and Assets

	1936	1935
	$	$
Debentures	754,175	753,239
Secured by assets:		
Liquid assets:	88,847	75,058
Mortgages & int.	*1,265,020	*1,258,226
Other net assets	164,305	184,324
Total	1,518,172	1,517,603

*After deduction of reserve of $30,000 in 1936, and $25,000 in 1935.

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass	20c	Mar. 1	Feb. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Assoc. Tel., 1st pf.	42c	Feb. 15	Jan. 25
Do., 7% pfd.	49c	Feb. 15	Jan. 25
Bk. of Montreal	$2	Mar. 1	Jan. 30
Bank of Toronto	$2.50	Mar. 1	Feb. 15
Buffalo Ankerite	12½c	Feb. 15	Feb. 1
Banque Can. Natle.	$2	Mar. 1	Feb. 15
Borden, com.	40c	Mar. 1	Feb. 15
Belding Cort.	$1	Apr. 1	Mar. 15
Do., pref.	$1.75	Apr. 1	Mar. 15
Biltmore Hats, pf.	$1.75	Mar. 15	Feb. 15
B. C. Tele. 2nd pf.	$1.50	Feb. 1	Jan. 17
Can. Vinegars	30c	Mar. 1	Feb. 1
Can. Converters	50c	Feb. 15	Jan. 30
Can. Ind. Alcohol, A, B	†	......	Feb. 1
Can. W. & C. pf.*	$1.75	Mar. 20	Mar. 1
Can. Cottons	$1	Apr. 1	Mar. 19
Do., pref.	$1.50	Apr. 1	Mar. 19
Can. Indus. A, B	$1.50	Apr. 30	Mar. 31
Do., pref.	$1.75	Apr. 15	Mar. 31
Can. W. Nat. Gas, c.	$1	Jan. 30	......
Can Bk. of Com.	$2	Mar. 1	Jan. 30
Can. Cement, pf.	*$1	Mar. 20	Feb. 28
Can. Pac. Rly. pf.	1%	Apr. 1	Mar. 1
Crown Cork	20c	Feb. 15	Jan. 30
Commonwealth Int'l	4c	Feb. 15	Jan. 15
Do., extra	1c	Feb. 15	Jan. 15
Corp. Investors	5½c	Feb. 15	Jan. 30
Cosmos Imp., c.	25c	Feb. 15	Jan. 30
Canadian Oil	12½c	Feb. 15	Feb. 1
Do., pref.	$2	Apr. 1	Mar. 20
Dom. Bridge	30c	Feb. 15	Jan. 30
Dome Mines	50c	Apr. 20	Mar. 31
Do., extra	$2	July 20	June 30
Dom. & Anglo Inv., pf.	$1.25	Mar. 1	Feb. 15
Do., arrears	$1.25	Mar. 1	Feb. 15
Falconbridge N.	7½c	Mar. 31	Mar. 10
Easy Washing, pf.*	35c	Mar. 1	Feb. 15
Electrolux	40c	Mar. 15	Feb. 15
Do., extra	10c	Mar. 15	Feb. 15
Hollinger Cons.	5c	Feb. 25	Feb. 11
Do., extra	5c	Feb. 25	Feb. 11
Gurd, C., pf.	$1.75	Feb. 15	Feb. 1
Inter. Nickel, c.	50c	Mar. 31	Mar. 1
Laura Secord	75c	Mar. 1	Feb. 15
Kelvinator, pfd.	$1.75	Feb. 15	Feb. 5
Lake of Woods	$1.75	Mar. 1	Mar. 15
Loblaw Groc., A, B	25c	Mar. 1	Feb. 12
McIntyre Porc.	50c	Mar. 1	Feb. 1
Mitchell, J. S., c.	$2	Mar. 1	Feb. 16
Model Oils	3c	Mar. 2	Feb. 6
Macassa Mines	5c	Mar. 1	Feb. 13
McColl-Front., c.	20c	Mar. 15	Feb. 15
Monarch Knit, pf.	$1.75	Apr. 1	Mar. 15
N. S. L. & Pr. pf.	$1.50	Mar. 1	Feb. 13
Nat. Biscuit, pf.	$1.75	Feb. 27	Feb. 11
Do., com.	40c	Apr. 15	Mar. 12
Nipissing Mines	25c	Feb. 20	Feb. 5
Ogilvie Flour pf.	$1.75	Mar. 1	Feb. 18
Ont. Steel, pref.	$1.75	Feb. 15	Jan. 30
Do., extra	$2	Feb. 15	Jan. 30
Penman's	75c	Feb. 15	Feb. 5
Petrol. Oil & Gas	2c	Mar. 1	Feb. 15
Do., bonus	2c	Mar. 1	Feb. 15
Photo Engravers	50c	Mar. 1	Feb. 15
Quebec Power	25c	Feb. 15	Jan. 27
Regent Knit pf.	40c	Mar. 1	Feb. 15
Royal Bank	$2	Mar. 1	Jan. 30
Rolland Paper	25c	Feb. 15	Feb. 1
Do., pref.	$1.50	Mar. 1	Feb. 15
Sec. Std. Roy pf.	1c	Mar. 1	Feb. 16
Sher.-Williams, p.	*$1.75	Apr. 1	Mar. 15
Stuart D. A., pf.	20c	Mar. 1	Feb. 15
Shawinigan W.	20c	Feb. 15	Jan. 20
South. Can. Pr., c.	20c	Feb. 15	Jan. 30
Sylvanite Gold	5c	Mar. 31	Feb. 15
Do., extra	5c	Mar. 31	Feb. 15
Toburn Gold	2c	Feb. 23	Jan. 22
Union Gas	12½c	Mar. 15	Feb. 20
United Corp., A	*75c	Feb. 15	Jan. 20
H. Walker-G.	50c	Mar. 15	Feb. 19
Do., pref.	25c	Mar. 15	Feb. 19
Zimmerknit, pfd.	▲$7	Feb. 15	Jan. 28

*On arrears.

†One share Oldetyme Distillers for every five shares Candn. Industrial Alcohol.

▲Composed of $3.50 due Aug. 1, 1936, and $3.50 due Feb. 1, 1937.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$7.50	$7.50	$6.75
Hogs	9.00	9.35	9.50
Copper, lb.	.13	.13	.09¼
Cotton, lb.	.1321	.1333	.1165
Rubber, lb.	.2147	.2106	.1544
Sugar, raw, lb.	.0360	.0381	.0330
Silk, lb.	2.16	2.22	1.81
Wheat (Man.) bu.	1.30	1.21	.82½
Coffee, lb.	.09¼	.09¼	.07
Hides	.13¾	.14	.10½
Weekly Indices			
N. Y. Annalist	138.2	138.3	127.1
Fishers'	90.4	90.4	83.5
N. Y. Journal of Comm.	88.4	87.2	79.9
Crumps (Brit.)	78.4	78.9	68.2
U. S. Labor	85.7	85.2	80.2
Canada (D.B.S.)	81.6	81.7	72.6

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Dec.)	81.8	81.7	80.5
W'sale (Dec.)	79.7	77.2	72.5
U. S. Labor (Nov.)	82.4	81.5	80.6
Gt. Brit. (Nov.)	86.1	85.5	79.9

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price. Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat—No. 1 Man. North Ft. W.-Pt. A. basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

Trusts and Guarantee

A decrease in net profits from $3.28 a share in 1935 to $2.64 a share in 1936 is revealed in the annual report of the Trusts and Guarantee Co. Ltd., Toronto. Earnings were sufficient to cover dividend payments of $2 for the year, compared with a $3 payment in 1935.

Increased assets are reported, largely due to gains in capital account and estates handled. Investment certificates and deposits are higher at $10,014,234 against $9,868,449 in 1935, while assets covering liabilities to the public have risen from $12,555,655 in 1935 to $12,717,597. The company's expansion in the estate branch is indicated by an advance in this item from $45,173,452 to $46,769,345 in 1936.

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,977,587	129,883	6	6.57
1932	1,977,877	86,977	4	4.40
1933	2,547,887	70,442	3	†3.56
1934	2,548,287	94,197	3	3.70
1935	2,548,287	83,605	3	3.28
1936	2,548,287	67,124	2	2.64

†On capital of $1,977,887 outstanding until purchase of Union Trust Co. as of Dec. 31, 1933.

*After deducting cost of management, advertising, general expenses, salaries, directors' and auditors' fees and taxes.

Public Liabilities and Assets

	1936	1935
	$	$
Invest. certificates	7,046,356	7,097,064
Deposits	2,967,878	2,771,385
Total	10,014,234	9,868,449
Secured by amts.:		
Liquid assets	2,642,988	2,574,290
Mtgs. & int.	6,971,610	6,930,437
Real estate for sale	399,635	363,722
Net capital ac. assets	2,703,364	2,687,206
Total	12,717,597	12,555,655
Estates, etc.	46,769,345	45,173,452

Saskatchewan Loan

Net loss of $1,301 is reported by Saskatchewan Loan and Investment Co. Ltd. for 1936, compared with a net loss of $2,748 in 1935. The company's investments are in mortgages, contracts and real estate and operating results reflect unfavorable conditions in this phase of the western investment field during the year.

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1933	401,646	81	..	...
1934	401,646	*2,792	..	...
1935	401,646	*2,748	..	...
1936	401,646	*1,301	..	...

*Loss.

Premier Trust

Increases in both volume of business and earnings are shown in the annual report of Premier Trust Co., Toronto, for 1936. Earnings on average paid-up capital were equal to $5.70 a share against $5.26 in the preceding year and were sufficient for dividends of $5 a share, the same rate paid in 1935.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate† Earned per sh.
	$	$	$	$
1934	597,583	23,496	5+.50	5.60
1935	625,854	27,882	5	5.26
1936	737,977	33,945	5	5.70

*After deducting provision for taxes.

†On average capital.

Public Liabilities and Assets

	1936	1935
	$	$
Inv't. certificates	901,049	752,920
Deposits	872,536	741,212
Total	1,773,585	1,494,132
Secured by:		
Liquid assets	1,224,540	952,495
Mortgages & int.	547,792	538,608
Net capital acct. assets	747,460	631,626
Total	2,519,792	2,122,729
Estates, etc.	11,535,896	11,217,910

Guaranty Trust

The $5 dividend paid in 1936 by Guaranty Trust Co. of Canada, with offices in Toronto and Windsor, Ont. was earned nearly twice over, it is revealed in the company's annual report. Net profits were $12,825 or $9.71 a share compared with $10,982 or $8.38 a share in 1935. Capital and paid-up reserves are shown at $182,414 compared with $187,589 at the close of the previous year.

Guaranteed trust account is shown sharply higher at $423,488 against $358,044 at the close of 1935 and assets securing these liabilities are also higher at $616,488. Extension of the estates account increased that item from $3,295,543 in 1935 to $4,553,146 in 1936.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1930	137,732	16,975	7	16.50
1931	142,857	13,960	7	13.57
1932	147,854	15,698	7	15.26
1933	176,909	14,378	7	11.49
1934	186,589	13,597	7	10.39
1935	187,589	10,982	7	8.38
1936	182,414	12,825	5	9.71

*After deducting provisions for taxes.

Public Liabilities and Assets

	1936	1935
	$	$
Guar. Trust acc.	423,488	358,044
Secured by:		
Liquid assets	211,400	145,173
Mortgage & int.	212,088	212,872
Capital ac. assets	193,000	188,811
Total	616,488	546,856
Estates, etc.	4,553,146	3,295,543

Grey and Bruce Trust

Dividends of 4% on the $50 par value stock of Grey and Bruce Trust and Savings Co., Owen Sound, Ont., were earned in 1936 by a wide margin, net profit equalling $44,255 or 8.13% It was $41,671 in 1935.

Improvement is reflected in all branches of the company's operations and for each $1 on deposit there is now $1.04 in quick assets. Bond holdings have increased to $114,257.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital and Reserves	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	%	%
1931	633,165	40,904	6	7.70
1932	636,605	34,204	4	6.28
1933	637,103	35,633	4	6.58
1934	637,678	45,558	4	8.37
1935	637,678	41,671	4	7.66
1936	637,678	44,255	4	8.13

Par value of stock $50.

*After reserve for taxes.

Public Liabilities and Assets

	1936	1935
	$	$
Inv't. certificates	1,049,812	876,153
Deposits, etc.	929,058	861,755
Total	1,978,870	1,737,908
Secured by:		
Liquid assets	1,021,479	934,013
Mtges. & int.	957,391	803,895
Net cap. ac. assets	699,077	689,144
Total	2,677,947	2,427,052
Estates, etc.	761,906	616,804

Industrial Mortgage

Net profits of Industrial Mortgage and Trust Co., Sarnia, Ont., in 1936 were practically unchanged from the previous year, amounting to $2.52 against dividend requirements of $2.50 a share on the $50 par value stock.

Investment certificates and deposits of $3,281,925 are higher compared with the $2,979,109 reported for 1935 and there has been a corresponding rise in assets from $4,166,731 to $4,463,374. Liquid assets are sharply higher at $1,539,584 compared with $1,012,076 in 1935. Extension of the company's business in 1936, through acquisition of the Crown Savings and Loan Company's office at Petrolia, is reported. The new office is operated as a branch.

Percentage of the company's liquid assets to savings deposits is 107.4%.

Comparative figures follow:

Earnings Record

Year	Paid-up Capital & Reserves	Net Profits	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	1,215,000	58,271	4.50	4.58
1932	1,215,000	50,461	4.00	3.97
1933	1,165,000	15,656	2.50	1.23
1934	1,165,000	15,024	2.50	1.18
1935	1,065,000	32,141	2.50	2.53
1936	970,000	32,052	2.50	2.52

Par value of stock $50.

Public Liabilities and Assets

	1936	1935
	$	$
Invest. certificates	2,197,682	1,952,383
Deposits	1,084,243	1,026,726
Total	3,281,925	2,979,109
Secured by:		
Liquid assets	1,539,584	1,012,076
Mtges. & int.	2,016,640	2,164,808
Net cap. ac. assets	907,150	989,847
Total	4,463,374	4,166,731
Estates, etc.	880,440	724,816

London Canadian

Higher earnings and a considerably stronger balance sheet are reported by London Canadian Investment Corp. for 1936. Ordinary revenue as $317,217 compared with $268,924. In addition there was a special income of $44,474, which was somewhat less than that reported in the previous year.

The balance sheet shows securities' valuation at over $8.2 millions, an increase of $2 millions during the year. The report indicates an equity available for the preferred shares of $108.89 a share, compared with $43.49 a share at the end of 1935. Investment reserve was increased during the year by $474,813 to $1.3 million by net profits realized by sale of certain investment holdings, profits from underwritings and discounts on corporations' preferred shares purchased during the year and cancelled. During 1935 an additional 4,344 shares of preferred stock were redeemed, leaving outstanding 35,000 shares.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total revenue	317,217	268,924
Less: Expenses	73,516	57,996
Interest	170,595	173,677
Surplus	73,106	37,251
Add: Spcl. income	44,474	70,721
	117,580	107,972
Previous surplus	352,107	244,135
Surplus forward	469,687	352,107

Co-operative Fédéré

Co-operative Fédéré Quebec, whose securities were sold to the public by Royal Securities Corp. a number of years ago, reports total receipts in 1936 of about $9.5 millions, an increase of over $2 millions over the 1935 figure. Net profit on operations was set at $164,498.

The 30% increase in the organization's business last year was due to a 15% advance in the price of merchandise and to a similar advance in the volume of produce handled.

During the past year the company paid off $35,000 representing dividends for 1934-36. Payments representing 20% of the invested capital and more than 100% of the original affiliation expenses.

United Corporations

United Corporations, Ltd., for 1936, shows an improvement in income and balance sheet position. Total revenue for the year, aside from special income, amounted to $382,565 as against $308,035 in 1935.

Dividends paid on the class A stock, on account of arrears, amounted to $160,675, compared with $32,135 in the previous year. There was a surplus after all charges of $45,089 as against $37,618 in 1935.

At the end of the year the balance sheet showed the company's investments had a value of $12.5 millions, including at cost a principal amount of $1.1 million of the company's own bonds. A year ago the valuation was $9.1 millions.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total revenue	382,565	308,035
Less: Expenses	66,569	44,370
Bond interest	170,470	180,412
Taxes	1,413	13,500
Add: Spcl. income	61,651	......
Net revenue	205,764	69,753
Less: Divd. arrears	160,675	32,135
Balance	45,089	37,618
Previous balance	189,951	74,106
Add: Prior gross inc.	......	78,228
Surplus forward	235,040	189,952

Maclaren P. and P.

Maclaren Power and Paper Co. financial statement for 1936 shows practically no change in revenue from the preceding year. Net earnings were sufficient to take care of interest charges on the outstanding first mortgage bonds, but after setting aside depreciation of $453,728 and taking into account $152,449 charged to capital construction account, there was a net deficit of $152,936 on the year. This compares with net profit of $3,367 in 1935 when depreciation reserve totalled $253,172.

The balance sheet shows an excess of current liabilities over current assets of over $2.3 millions. Capital and surplus account was written down during the year from $22.1 millions to $17.1 millions, while property account was carried at $36.7 millions as against $41.9 millions. Bank loans are down slightly at just under $2.6 millions.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net revenue	1,245,248	1,240,899
Less: Depreciation	453,728	253,172
Interest charges	1,106,906	984,360
Add: Chg. to capital	152,449	......
Deficit	162,936	*3,367
Previous surplus	‡608,001	596,129
Surplus forward	445,064	599,496

Working Capital

	1936	1935
	$	$
Current assets	871,500	1,123,549
Current liabilities	3,234,850	3,154,506
Working capital	*2,363,350	*2,030,957

*Excess. ‡Adjusted.

Conduits National Co.

Conduits National Co. Ltd., in its first report since the merger of the old Conduits Co. and National Conduit Co., showed earnings of almost 39 cents per share on the 160,800 shares of common outstanding. This is now the only capital stock of the company, the 4,950 shares of 6% preferred being redeemed at $10 per share Feb. 1, 1937.

The officers and directors of Conduits National Company Ltd. are as follows:

Ross Clarke, pres. and gen. mgr.; M. I. Whytall, sec.-treas.; D. G. Farquharson, M. W. Hall and H. V. Hearst, all of Toronto; A. M. Winslow, Jr., Boston, Mass., U.S.A.

Income Account
Year Ended Dec. 31

	1936
	$
Sales & inventory, less disct., comm., freight	505,458
Less: Inventory at Dec. 31/36, incl. cost of raw mat., supplies, wages, etc.	387,268
Manufacturing profit	118,190
Less: Gen. & admin. exps., incl. deprec.	49,077
	69,113
Add: Interest & disct. earnings	8,098
Less: Prov. for Federal taxes	12,087
Net profit	65,124
Less: Dividends	2,970
Surplus for year	62,154
Add: Previous surplus	11,203
Less: Federal inc. tax adjust.	49
Balance carried forward	73,308
Working Capital	
Current assets	286,213
Current liabilities	73,183
Working capital	213,030

Montreal Island Power

Montreal Island Power Co., subsidiary of Montreal Light Heat and Power Consolidated, reports little change in its financial position or earnings during the past year.

Total income amounted to $764,789, as against $765,000 in 1935. After providing for expenses, taxes and royalties, and fixed charges, the balance was transferred to depreciation reserve.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Total revenue	764,789	765,000
Less: Expenses	93,637	137,228
Taxes & royalties	60,750	......
Interest & exchange	6,167	......
Fixed charges	508,750	515,211
Balance	95,485	112,561
Trans. to depreciation	95,485	112,561
	......	......

Quebec Power

A sharp increase in the industrial load on the Quebec Power Co.'s system during 1936 resulted in an improvement in both gross and net operating revenues. Income from all sources amounted to $2.9 millions as against $2.7 millions in 1935. After providing for all charges, net profits available for dividends were equivalent to $1.41 a share compared with $1.07 a share in 1935.

No major change took place in the financial position of the company last year, except in liquid resources. Cash on hand increased from $154,019 to $199,739, while call loans advanced from $525,000 to $697,500.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross revenue	2,928,410	2,730,611
Less: Oper. expenses	1,135,662	1,115,361
Net revenue	1,792,748	1,615,250
Less: Interest on debt	608,531	608,532
Depreciation	350,000	350,000
Contingent res.	52,000	63,000
Net profit	782,217	593,718
Less: Dividends	553,198	553,198
Surplus	229,019	40,520
Previous surplus	*236,788	*311,015
Surplus forward	465,807	351,535

*After deduction of prior year's income tax.

Working Capital

	1936	1935
	$	$
Current assets	1,369,026	1,070,617
Current liabilities	379,656	350,228
Working capital	989,370	720,389

Amalgamated Electric

Amalgamated Electric Corp., controlled by Northern Electric Co., reports improved operating profits during 1936. After payment of all charges, including depreciation, there was a deficit of $5,666, compared with $16,604 in the previous year.

The balance sheet shows a moderate improvement in working capital. Cash on hand has increased about $21,000 to $233,570. Accounts receivable at $77,697 are nearly double those reported in 1935. Inventories remain about the same. In previous reports, the property account was shown less depreciation reserves. In the current report the depreciation reserve was set up as a separate item among the liabilities and now totals $344,389.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating profit	58,855	42,775
Less: Exec. salaries	23,775	18,237
Legal fees	483	519
Tax provision	360	255
Depreciation	47,445	46,773
Add: Other revenue	7,542	6,405
Deficit	5,666	16,604
Previous deficit	383,744	367,139
Deficit forward	389,410	383,743

Working Capital

	1936	1935
	$	$
Current assets	547,778	485,426
Current liabilities	50,937	17,581
Working capital	496,841	467,845

Investors Syndicate

Investors Syndicate, Minneapolis, reports total assets of $90.9 millions at close of 1935, compared with $72.9 millions at Dec. 31, 1935. Analysis of the condensed balance sheet shows a margin of assets of 31.4% over surrender liabilities to holders of the company's savings certificates. The margin over both cash surrender liabilities and contingent liabilities on certificates was 11.4%. The contingent liabilities to certificate holders become payable largely to investors who maintain their deposits throughout the period of the certificate. Thus they are not immediate liabilities, but accrue to continuing depositors rather than on certificates surrendered.

Investors Syndicate
As at Dec. 31

	1936
	$
Certificate liabilities:	
Surrender	65,229,135
Contingent	11,661,260
Total	76,890,395
Secured by:	
Liquid assets	24,544,503
Mortgage investments	52,679,157
Other net assets	8,464,488
Total	85,688,148

Walkerville Brewery

Earnings of 4.7 cents a share for Walkerville Brewery Ltd. in 1936 compared with a deficit of five cents a share in 1935, and the annual report of the company, just issued, reveals that its net profit of $17,536, before provision for income tax contingencies was the most satisfactory since annual reports of the company were first made public in 1933. Earnings before depreciation were $47,064 against $10,629 in 1935.

Cash position improved and net working capital rose from $316,645 at the end of the 1935 year to $342,280 at the close of 1936. Officials report that sales rose 25.1% during the year.

Comparative figures follow:

Profit and Loss Account
12 Months Ended Dec. 31

	1936	1935
	$	$
Earns. before deprec.	47,064	10,629
Less: Depreciation	29,528	29,475
Net profit	17,536	d18,846
Previous deficit	4,487	14,359
Less: Prov. for inc. tax contingencies	5,000	......
Earned surp. forward	8,049	d4,487

d—Deficit.

Working Capital

	1936	1935
Current assets	354,965	326,177
Current liabilities	12,685	9,532
Net working capital	342,280	316,645

National Light

Despite a rate reduction in the middle of the year, an increase in employees' wages in October and a 20% increase in depreciation, National Light and Power Co., Moose Jaw, will report bond interest earned 1.75 times in 1936 after depreciation, compared with 1.64 times in 1935. Before depreciation bond interest was earned 2.39 times in 1936 and 2.19 times in 1935.

Operating earnings, according to a report released by McLeod, Young, Weir & Co., investment dealers, increased in 1936 by about $27,000 to $529,986.

Sales of electricity showed an increase of approximately 11% over 1935, kilowatt hours output amounting to 25,024,803, compared with 22,595,504 in the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Operating revenue	529,986	499,095
Add: Misc. revenue	7,315	3,818
Total revenue	537,301	502,913
Less: Oper. expenses	239,958	231,029
Net earnings	297,343	271,884
Less: Depreciation	80,707	68,634
Bond interest	124,050	123,763
Balance*	92,586	79,487

*Before income taxes, amortization expenses, other interest, etc.

Yarmouth Building

Earnings of Yarmouth Building and Loan Society, Yarmouth, N.S., rose in 1936 to $6.92 per share compared with $6.57 per share in the previous year. Dividend payments remained unchanged at $6 a share.

Assets of the company are shown at $412,596, or a reduction from the 1935 total of $419,374, but mortgages and real estate loans are slightly higher at $369,600. Reserve rose $1,000 to $58,000.

Earnings Record

Year	Paid-up Capital	Net Profits*	Div. Rate	Rate Earned per sh.
	$	$	$	$
1931	206,153	16,363	6	7.9
1932	205,854	14,564	6	7.2
1933	200,183	12,896	6	6.4
1934	197,908	12,465	6	6.3
1935	194,403	12,789	6	6.6
1936	190,917	13,294	6	6.9

*After deducting expenses, taxes, accrued interest and transfer to real estate.

Year	Total Assets	Reserves Funds	Mtges. & Real Est. Loans
	$	$	$
1931	425,583	53,000	419,750
1932	309,703	55,000	297,989
1933	428,927	55,000	412,000
1934	424,867	55,000	379,150
1935	419,374	57,000	367,810
1936	412,596	58,000	369,600

Canada Dry

Net profit of $128,780 for the quarter ended Dec. 31, 1936, compared with a deficit of $51,565 for the same period of 1935 reflects a sharp expansion in sales of case goods by Canada Dry Ginger Ale Inc. Earnings per share for the final three months of 1936 were 25 cents against a 10-cent per share deficit in the previous year.

A gain of 105% in case goods sales followed more intensive development of some of the company's markets and, according to officials, increased advertising of this type of the company's products will mean an increased appropriation for that purpose. Extension of the company's plant and distribution facilities will require several years to complete.

Comparative figures follow:

Consolidated Income Account
Three Months Ended Dec. 31

	1936	1935
	$	$
Gross profit	1,641,014	988,119
Less: Expenses	1,420,850	951,664
Oper. profit	220,164	36,455
Add: Other income	33,988	29,713
Gross income	254,152	66,168
Less: Other deductions	41,469	57,276
Depreciation	57,638	48,840
Interest	1,822	1,767
Income taxes	24,443	9,850
Net profit	128,780	*51,565

*Deficit.

Riverside Silk Mills

Riverside Silk Mills, Galt, Ont., reports earnings equivalent to $2.69 a share on the 30,000 shares of class A stock in 1936 compared with $2.66 a share in 1935. Payment of all arrears of $1.75 a share left a deficit for the year. The payment due on arrears at the year-end accounts largely for the decrease shown in working capital. Regular dividends of $2 a share are being continued on the class A stock.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	78,080	76,949
Profit on bonds sold	2,861	2,963
Net profit	80,941	79,912
Less: Dividends	60,000	60,000
Arrears divs.	52,500	......
Surplus for year	*31,559	19,912
Less: Addit. inc. tax	1,359	840
Add: Prev. surplus	516,094	497,022
Surplus forward	483,176	516,094

*Deficit.

Working Capital

	1936	1935
Current assets	359,218	318,315
Current liabilities	108,558	47,903
Working capital	250,660	270,912

Easy Washing Machine

Easy Washing Machine Co., Toronto, reports marked improvement in earnings in 1936. Profits were equivalent to $3.19 a share on the 7,576 preferred shares of $10 each and nearly 67 cents a share on the 28,330 common shares. These figures compare with 78 cents and two cents a share for the respective issues in 1935.

Improvement in working capital resulted in elimination of bank loans at Dec. 31. Declaration of dividends of 35 cents a share on the preferred due March 1, 1937, represents accruals for the half year. F. C. Dynes, president, says further payments will be considered by directors "as the continued progress of the company should warrant." Mr. Dynes attributes the company's improved showing largely to aggressive sales promotion by the management.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross earnings	139,282	111,672
Less: Sales expense	111,581	100,929
Finan., organ. exps.	......	2,753
Income tax	4,253	2,064
Add: Misc. income	778	......
Net profit	24,226	5,928
Add: Prev. surplus	8,873	2,947
Less: Addit. inc. tax	175	......
Surplus forward	32,924	8,873
Working Capital		
Current assets	181,554	170,661
Current liabilities	29,101	47,879
Working capital	152,453	122,782

Hinde & Dauch Paper Co.

Hinde & Dauch Paper Co. of Canada shows earnings after all charges equivalent to $1.32 a share on the 299,933 common shares in 1936. This compares with $1.18 a share in 1935.

Volume showed an increase of approximately 12% in the year, and Sidney Frohman, president, anticipates further growth of sales but also increases in costs of materials. He reaffirms the directors' intention to maintain the dividend rate of $1 a share in 1937.

Another $53,500 of 5½% first mortgage bonds were redeemed, reducing the total to $1,122,000. Bond interest was covered by a wide margin.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Net earnings	721,872	664,437
Less: Depreciation	190,812	185,146
Bond interest	63,237	66,167
Income tax	72,414	60,188
Net profit	395,409	352,936
Less: Dividends	187,458	149,967
Surplus for year	207,951	202,969
Working Capital		
Current assets	1,554,422	1,265,262
Current liabilities	266,648	158,070
Working capital	1,287,774	1,107,192

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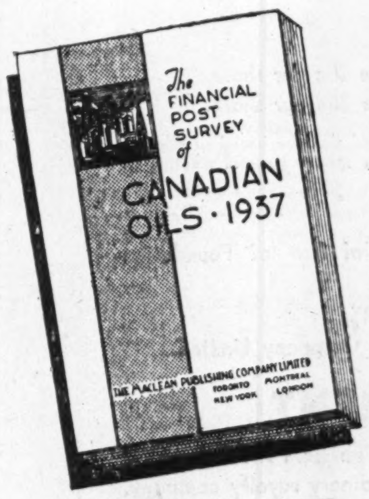
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Week in Mining

Clean-up of Swindlers Good News for Mining

Closing of Four Promotional Houses Justifies Campaign of Mining Men

Four of the promotional houses, against whose high-pressure methods The Financial Post has been campaigning for some weeks, have been closed up by Ontario Securities Commission, in co-operation with the Federal Department of Immigration.

The mining industry is the better for their going.

The decisive action taken against these firms is proof enough that the security fraud authorities, under the direction of Commissioner John M. Godfrey, did not agree with the Toronto newspaper which, in sharply criticizing The Post's exposures, attempted to throw doubt on the presence of these men in Toronto, and termed The Post's articles "a mere string of pharisaical vaporings."

Mining men, and mining brokers, who realize that operations of such houses is not in the best interests of the industry, welcome the action of the Securities Commission, and sincerely hope it will continue its aggressive campaign.

The news that these houses had been closed up is, from the broad point of view, better for the mining market than any number of high drill core assays from any number of properties.

But there is still work to be done.

Mining and Immigration

THE case cited elsewhere of the mining promoter who unsuccessfully appealed to the Minister of Immigration against the deportation order, is an example of the fortunate coupling of mining with immigration in the federal governmental set-up.

A Minister of Immigration who was not acquainted with the aims of the mining industry nor particularly sympathetic with it, might not be able to realize the real harm that the presence of such men does. Fortunately, for the second successive administration, Canada has a Minister of Mines who is also Minister of Immigration, and is, therefore, able to treat such cases in the best interests of the industry.

* * *

Chibougamau Report

APART from the important fact that values are given, the report recently issued by the Quebec Bureau of Mines does not appear to add much to the generally meagre information available regarding the operation of Consolidated Mining & Smelting Co. on the property of Consolidated Chibougamau Goldfields.

As shown elsewhere, the values support the generally held belief that this property will have to stand up as a large tonnage operation. The Post is informed that a report covering the Merrill Island property will be available shortly.

It is difficult to see why Consolidated Smelters did not see fit to publish the values with their report issued last November, and thus have averted criticism and a flock of rumors which this omission aroused.

* * *

Vendor Stock

C. P. RIEL, of Vancouver, managing director of Reward Mining Co., has some novel ideas in connection with the promotion of mining companies.

Mr. Riel is a promoter, and one who has had marked success by applying principals which to many promoters of the old school, must appear radical.

For one thing, Mr. Riel does not believe in the policy of issuing stock to the vendor of a property, even though this stock is pooled and held from the market. He has, whenever possible, received and issued, cash for properties, payable in installments as development progresses.

As is generally known, the practice usually adopted in the case of a new company of, say three million share authorized capitalization, is to issue in the neighborhood of one million shares to the vendor, to be escrowed until the property nears production, or to be released in blocks.

In most cases, it must be admitted, this practice is sometimes unsatisfactory to the company, and usually unsatisfactory to the vendor. While seeking to maintain a market during the early development stage, the directors or promoters of the company have a large block of vendor stock hanging over their heads. In many cases, with nearly half the authorized capitalization issued for properties, the stock remaining is not sufficient to see the property into production, and a reorganization, to the detriment of the shareholders is necessary. From the vendor's point of view, the advantages of Mr. Riel's idea are obvious.

* * *

Publicity in England

If Canada wishes to interest English capital in the gold mining industry, there is definite work to be done.

Typical of the attitude of the English investor toward Canadian mining is the editorial note appearing in the current issue of the Gold Mining Record, of London, in replying to a correspondent. Says the Record in part:

"A great deal of money has undoubtedly been lost in this country in Canadian gold shares (even Canadians have been caught up in plausible 'wildcats') and our attitude has been to say very little about Canadian shares, not because there are no good propositions, but because there are such excellent opportunities elsewhere about which we are much better informed at first hand."

While this attitude does not benefit Canadian mining very much, one can hardly blame the Old Countryman for adopting it, because of the fact that in the past, many wildcat promotions have been foisted on the United Kingdom.

The fact that the crooked promoter has reaped a harvest in England is largely due to the very fact that such reputable journals as the Gold Mining Record fail to devote space to reliable Canadian news. It appears to be in the nature of a vicious circle, with the next move up to the leading English mining and financial journals.

* * *

Index to Mining Stocks

A BROADER trading interest in mines was accompanied by rising prices in practically all groups. Although the greatest gains occurred among the speculative gold issues, strength was also apparent in the stocks of producing mines. The Bureau of Statistics mining price index based upon this latter group mounted from 175.6 to 176.4 between the weeks ending Jan. 28 and Feb. 4. The daily index for the gold section mounted irregularly from 139.3 to 141.6 between these two dates, while base metals moved up from 320.8 to 323.3, but still remained far below their January high of 340.8 (Jan. 14). Trading volume reached the highest levels of the current year on Feb. 3 and 4.

PRESIDENT

W. H. Miner president of Miner Rubber Co., Ltd., who has been elected president of Thompson Cadillac Mines Ltd.

Grull-Wihksne Gold Mines—An additional 100,000 shares has been taken up at 12 cents per share under agreement Sept. 2 bringing total issued capital to 2,340,139 shares. Balance of option comprises 100,000 shares at 12 cents by March 13.

New Deal Pends At Nicola Mines

British and South African Capital Claimed Behind Newest Proposal

From Our Own Correspondent

VANCOUVER. — Shareholders of Nicola Mines & Metals will consider at an early meeting a definite plan for disposal of their property to interests representing British and South African gold capital. The deal may lead to a new chapter in the development history of "Mineral Hill" at Stump Lake.

An official statement of the proposal has been issued as follows:

Official Statement

"Nicola Mines & Metals has entered into an agreement with the trustee of a company to be formed with a large capital looking to the acquisition of the mining property of Nicola Mines & Metals free from encumbrance and to large-scale development and production from mining properties in the Nicola district with Nicola Mines & Metals property as a pivotal point. Under terms of the agreement Nicola shareholders will be in line for a cash distribution from proceeds of the purchase consideration and also for distribution of a substantial minority interest in the new company.

"The new interests regard Nicola as being a profitable producer which has only to be developed on a large scale to make it a big mine.

"A very substantial deposit has been made expressive of the intentions and ability of the new company to finance this project."

Mining Dividends

	Rate	Close Feb. 8	Yield %
Anglo-Huronian	20c	8.75	..
Beattie Gold	†5c	1.48	..
Bralorne	40c+15c	8.60	..
Buff. Ankerite	50c	12.00	4.2
Bulolo Gold	‡1.40	28.50	..
Cariboo	10c	1.68	5.9
Central Patricia	†4c	4.75	..
Coniagas	12½c	3.15	..
Cons. Smelters	$1+$1	76.00	..
Dome Mines	$2+$2	50.00	*8
Falconbridge	30c	10.75	2.8
Hollinger	65c+45c	15.25	*7.1
Howey Gold	2c	.68	..
Hudson Bay	$1	33.50	..
Island Mountain	‡10c	1.10	..
Int. Coal & Coke	‡1c	.22	..
Inter. Nickel, c.	$2	65.00	3.1
Inter. Mining	45c	16.37	..
Kirk. Lake	‡3c	1.20	..
Kerr Lake	5c	.55	..
Lake Shore	$5	57.65	8.7
Lava Cap M.	4c+1c	.81	..
Little L. Lac	30c	7.90	..
Macassa	15c	7.95	2
McIntyre	$2	40.75	4.9
McKenzie R. Lake	6+1c	1.85	..
McKinley Sec.	2½c	.60	..
McWatters Gold	5c	.90	..
Pickle Crow	20c	8.80	2.3
Noranda	$3	74.75	..
Nor. Can. Mining	2c	.75	..
Nipissing	50c	3.25	..
Premier	12c+1c	3.80	*3.4
Pioneer, B.C.	80c	6.50	12.3
Reno	12c	1.21	9.9
San Antonio	14c	2.25	..
Sheep Creek	8c	.70	11.4
Siscoe	20c	6.10	3.3
Sudbury Basin	10c	5.80	..
Sylvanite	20+5c	4.40	*5.7
Teck-Hughes	40c+5c	5.90	*7.6
Toburn	8c	4.05	1.9
Ventures	2½c+2½c	2.83	..
Wright-Har.	•40c+15c	7.90	*6.9
Ymir Yankee Girl	5c	.42	..

‡Interim. †Initial.

*Yield includes bonus.

•Includes 10c. interim paid Feb. 1.

Plan Reorganization For Ribago Copper

Formation of a new company to acquire the assets of Ribago Copper Corp. is proposed by officials of the company.

Under the proposed plan, the new company would have an authorized capitalization of four million shares, par value $1. Present shareholders of Ribago would receive one share of the new company for each four shares now held, all of which would be free. Rights would then be offered shareholders of the new company, to purchase, share for share, new stock at 10 cents per share.

If these rights were fully subscribed, the new company would then have approximately $100,000 in the treasury, and two million shares.

R. E. Lloyd Lott, president of Ribago, informs The Financial Post that negotiations are under way with a strong group, whereby options on a block of this remaining stock would be taken up at prices from 25 cents per share up.

Canadian Malartic Boosts Mill to 600

May be Further Increase in Daily Tonnage Shortly

The new addition to the mill at Canadian Malartic Gold Mines 25 miles east of Noranda, has been placed in operation, and the mill is now treating slightly in excess of 600 tons daily, The Financial Post is officially informed. A further increase may be expected when the present tonnage has settled into steady production.

Canadian Malartic has been jointly financed by the Lindsley interests through Ventures and Sudbury Basin. In April, 1935, an initial unit of 150 tons capacity was placed in operation and in August of the same year a second unit was authorized, going into production in Dec., 1935.

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A PROPERTY WITH ITS EARLY STAGES OF DEVELOPMENT AND DIAMOND DRILLING WELL ADVANCED

WELL PROSPECTED AND EXAMINED	This property has been prospected, surveyed and developed to a stage where 6 veins have been opened up for a total length of over 1,000 ft.
DRILLING CONTRACT OF 5,000 FT. COMPLETED	A total of 37 diamond drill holes has been put down, 27 of which were on veins No. 1 and No. 2, proving depths from 50 to 500 ft. with assays of good commercial value.
DRILLING EXPLORATION CONTINUING	The Company is continuing its drilling campaign, and on the recommendation of the Company's engineer, shaft sinking is being proceeded with immediately.

PROPERTY AND LOCATION: The property is comprised of 11 unpatented mining claims numbered T24001-2-3-5-6-7-8 and T24251-2-3-4 in the Township of Bryce, Temiskaming Mining Division, Northern Ontario, totalling approximately 440 acres, some 20 miles from Swastika on the T. & N. O. Railway and 24 miles directly south of the town of Kirkland Lake, famous for its surrounding mines of world importance.

POWER AND ACCESSIBILITY: Hydro-electric power is available from the Northern Ontario Power Co., 5½ miles to the South. Immediate power needs will be supplied by gasoline units and electric power will be arranged for as the indicated development is proceeded with.

Charlton Station on the T. & N. O. Railway is 8 miles distant and Englehart lies 20 miles by road to the northeast.

GEOLOGY: Mr. R. R. Brown, M.E., reporting on the property states: "There is a large area or dome of acid rocks comprising porphyries, porphyritic andesites, diabases, lamprophyres, and altered agglomerates. On the margin of the acid area I find a belt of basic rocks namely, pillow lavas and old basalts that are highly favorable for gold deposition, and in which have been found correct structure with commercial gold values. These basic rocks are intruded by acid intrusions which no doubt are closely associated with the large mass and are probably responsible for the gold deposition found."

Mr. J. C. Houston, consulting engineer for the company in his report of November 21, 1936, states: "The veins are found to carry iron and copper pyrites, pyrrhotite with stringers of quartz carrying free gold."

DEVELOPMENT: In May, 1936, surface and exploratory work was commenced on the property and from the encouraging results obtained it was decided to diamond drill to ascertain whether surface values continued to depth. In June of the same year drilling contracts were entered into and this work has been proceeded with. Up to the present time 27 holes have been drilled at various depths, particulars of which are set out in detail in the Table of Assays as shown above. Of the five veins which have been located on the property up to the present, veins 1 and 2 only have been diamond drilled. On vein No. 5 three test pits have been put down and work is being proceeded with for the purpose of following up the suggestion of Mr. J. C. Houston, the Company's engineer, as contained in his report of January 6, 1937, that these three veins might converge and intersect in an area of swamp south of No. 1 vein. Vein No. 1 has been opened up for a length of 300 ft. Vein No. 2 over 200 ft. and Vein No. 3 over 400 ft. The Company's engineer has recommended a programme of shaft sinking immediately to develop No. 1 Vein.

Permanent camp buildings have been erected to accommodate at least 30 men.

TABLE OF ASSAYS

The information hereunder given has been received from Mr. M. C. Cowan, General Manager of Britcana Gold Mines Ltd., (No Personal Liability) and in accordance with assay reports received from Swastika Laboratories and Toronto Testing Laboratories, copies of which are on file at the Company's Head Office.

DIAMOND DRILL RESULTS ON NO. 1 VEIN

Hole No.	Width	Grade	Depth
1	20 in.	$ 4.20	100 ft.
2	Put down for Geological Purposes.		
3	42 in.	173.95	60 ft.
	60 in.	46.90	70 ft.
4	Put down for Geology on Footwall side of vein.		
5	60 in.	30.80	50 ft.
	60 in.	39.55	70 ft.
6	24 in.	44.45	130 ft.
	96 in.	1.20	140 ft.
7 8 9 10 11 12	Drilled on No. 2 Vein.		
13	48 in.	1.40	100 ft.
14	42 ft.	11.90	100 ft.
15 16 17	All drilled North of Lamprophyre Dyke for structure.		
18	No Values (in break between lenses).		
19	36 in.	2.80	150 ft.
	36 in.	4.90	240 ft.
20	Lost Core in Caving.		
21	Now down 550 ft. To be continued to Zone.		

DIAMOND DRILL RESULTS ON NO. 2 VEIN

Vein heavily oxidized to depth, making it impossible to save core and sludge in several holes.

Hole No.	Width	Grade	Depth
7	Drilled to 181 ft. Lost core and sludge between 155 ft. 6 in.—160 ft. 6 in. on account of oxidization.		
8 9 10 11 12	Unable to core or obtain sludge due to oxidization.		
22	26 in.	2.10	150 ft.
23	Lost Core and Sludge between 165 ft.—169 ft.		
24	26 in.	15.40	300 ft.
	30 in.	1.05	200 ft.
25	30 in.	5.60	200 ft.
26	Lost Core and Sludge between 292 ft.—296 ft. 6 in.		
27	36 in.	1.40	275 ft.
	24 in.	24.50	280 ft.

TITLE: Title to the above mentioned mining claims has been recorded in the name of the Company, clear of encumbrance and the Company has no contingent or other liability with the exception of the final payment, not due until June 30, 1937, amounting to $15,000 to Flanagan Prospectors Trust Syndicate from which the property was purchased.

EXTRACTS FROM ENGINEER'S REPORT: The following are extracts from a report by J. C. Houston, M.E., January 6th, 1937:

"Drilling results on No. 1 vein appear to indicate a length of from 250 to 300 feet of an ore shoot showing good values and widths."

"Further work on this vein should consist of a shaft to a depth of 125 feet and the opening up of the vein to the limits of the ore shoot at that horizon. If satisfactory results are obtained, the shaft should be continued to 250 feet and that horizon developed also."

"No. 2 vein shows an ore shoot over 150 feet in length and still open at the northeast as indicated by the results obtained in hole No. 27. This hole shows a corrected value of $10.60 over a 5 ft. width. Further drilling should be done on the continuation of the strike at 50 or 100 foot intervals, to see how far the ore shoot may extend. The widths of ore found in this vein are narrower than in No. 1, but the values are good and it would appear to be widening as it extends northeast."

"Some recent work on No. 5 vein in the way of stripping and test pitting has shown that it has possibilities worth further work. It has been traced for about 400 feet and this length can probably be increased a further 200 feet to where it enters the swamp south of No. 1 vein. It is rather peculiar that all three of these veins, Nos. 1, 2 and 5, showing the best values found should all appear to intersect under this small area of swamp. It may only be a coincidence, but the possibilities here are intriguing to say the least. A pit put down to a depth of about 8 feet on this vein, at a point about 800 feet south and a little east of where the drilling was done on No. 1 vein shows 2 feet of nice ore in the bottom assaying over $30.00 per ton. The dip is about vertical. The vein consists of a network of sheared porphyry and well mineralized quartz stringers."

The right is reserved to fill all subscriptions in the order received and in all or part of order, at the discretion of the undersigned at the current offering price.

50c per Share

Informational Bulletin may be obtained from:

Taylor S. Pennington & Company Limited

80 King St. West TORONTO ELgin 3197

This issue having been underwritten the treasury of the Company has already received payment or commitment to pay from the underwriters, Taylor S. Pennington & Co. Ltd., 80 King St. W., Toronto, who are financially interested in the sale of the Company's shares and act as principals in offering any shares for sale, consequently, the proceeds are not payable to the Company whose securities are hereby offered to you.

The statements contained herein, while not guaranteed by us, are based upon information which we regard as reliable and believe to be correct.

This issue having been sold, this advertisement appears as a matter of record only.

We Offer 800,000 Shares

Firestone Petroleum

LIMITED

CAPITALIZATION

Authorized—2,500,000 Shares—Par Value 25c per share.
Issued— 1,250,000 Shares—Par Value 25c per share.

No shares other than the 1,250,000 shares already issued shall be issued or allotted without the approval of two-thirds of the votes cast at a special general meeting of the shareholders called for that purpose.

LOCATION

Lease is located one-quarter mile due south of that of Foundation Petroleums, Ltd.

DRILLING CONTRACTORS

Anglo-Canadian Development and Holding Company Limited.

TRUST AGREEMENT

The shareholders, as regards the net production from the well, stand in the same position as royalty holders in the ordinary royalty company, as the net production is assigned to The Trusts and Guarantee Company Limited for distribution to shareholders every three months, and in addition the shareholders own a proportionate interest in the other assets of the Company which consist of the balance of the forty acres on which this well is situated.

The gross royalty from the forty acres in question is at the rate of 20%, and in the event of obtaining daily production in excess of 500 barrels, the gross royalty will be increased to 25%. The net production is, therefore, 80%, or 75%, according to the daily production from the well, against which the Company has issued 1,250,000 shares of a par value of 25c per share.

12,500 shares represent 1% of net production.
6,250 shares represent ½ of 1% of net production.
3,125 shares represent ¼ of 1% of net production.
2,500 shares represent 1-5 of 1% of net production.
1,250 shares represent 1-10 of 1% of net production.
625 shares represent 1-20 of 1% of net production.

Price 25c Per Share

Application will be made to list these shares through the Montreal Curb and the Toronto, Calgary and Vancouver Exchanges.

Gray, Byrne & Company

LIMITED

Lancaster Building Calgary, Alberta

Howey Options McCuaig Stock

Follows Interesting Surface Results at Red Lake

As the result of favorable surface showing on the property of McCuaig Red Lake, adjoining McKenzie Red Lake Gold Mines, Howey Gold Mines has concluded an agreement with McCuaig, under which management and operating control will be taken over by Howey, in addition to options on one million shares.

Howey will continue development and start drilling the interesting break reported to be uncovered on surface.

McCuaig Red Lake is capitalized at three million shares, $1 par value. Of this, 1,925,000 shares have been issued, leaving 1,075,000 in the treasury. Of the issued stock, 1.5 million shares have been issued to vendors and pooled, while 425,000 shares have been sold for cash. If as and when Howey completes its option, McCuaig will have 75,000 shares remaining in the treasury, as well as sufficient funds to see the property into production, should development warrant.

Options terms under which Howey may take down McCuaig stock are as follows.

100,000 shares at 20 cents.
100,000 shares at 30 cents.
200,000 shares at 35 cents.
200,000 shares at 65 cents.
200,000 shares at 75 cents.
200,000 shares at 85 cents.

In addition to its Red Lake property, McCuaig has also acquired the property of Summit Gold Mines in the Sheep Creek area of British Columbia.

Mattson Patricia Plans Work at Birch Lake

Winnipeg Mattson Patricia Mining Co. has just been formed to prospect a discovery made during the summer of 1936 on Birch Lake, Patricia district, by Nels Mattson, well-known Manitoba prospector.

The find is only a few miles from the Uchi Lake property now being diamond drilled. The ore zone has been followed for about 475 ft., plunging into deep draws at both ends.

Thompson Cadillac Mine Makes Changes in Board

From Our Own Correspondent

MONTREAL.—W. H. Miner has been elected president and director of Thompson Cadillac Mining Corp., succeeding A. P. Earle, who has resigned. G. C. Charles Seybold has been elected a director to succeed C. F. Dale, who has resigned.

Preston East Dome Sells Optioned Stock

From Our Own Correspondent

MONTREAL.—Preston East Dome Mines has sold an additional 50,000 shares at 50 cents a share in accordance with the option agreement. There now remain under option 216,000 shares at 50 cents a share and 50,000 shares at $1.75 a shares.

Two Companies to Develop Sioux Lookout Properties

From Our Own Correspondent

KENORA.—Two new companies have been organized to develop properties in the Sioux Lookout area. **Sioux Lookout Gold Mines** is to carry out diamond drilling on the Axis property, and **Cedar Bay Mines** plans to drill on a group adjoining **Vermor** which, in turn, is to be the object of a diamond drill campaign when funds are available.

Sioux Lookout Gold Mines has acquired a group of 34 claims staked during the Split Lake rush of a year ago. They are located north of Split Lake Gold and Alcona Mines. G. E. Farlinger, of Sioux Lookout, and L. M. Keachie, Toronto, are principals of the new company. A contract has been let to survey the group after which a geologist is to be engaged to line-up a drill programme.

Cedar Bay Mines has been organized to do about 3,000 ft. diamond drilling this winter on showings opened up by surface work directed by H. C. Babcock last summer when the group was held by Cedar Bay Syndicate. The company is capitalized with 3,000,000 shares, of which 750,000 have been issued for properties, leaving 2,250,000 for financing.

Lake of Woods Activity Grows

Straw Lake Beach Among Companies Planning Resumption

From Our Own Correspondent

KENORA.—During the past week two new mining operations have started in Lake of the Woods area, while two others will resume in the near future. A fourth has been re-sampled with a view to reopening.

Lakeport Mining Co., 2½ miles west of the Errington Rowan Lake property, has started receiving delivery by air of lumber and supplies so that camps can be built. After that a diamond drill rig will be flown to the property and exploration started on a gold-bearing zone which shows width of 200 ft.

Westricia Gold Syndicate has taken a crew of seven men to its property adjoining Kenricia immediately west, for a programme of surface exploration to sample three veins. One of these has been stripped for 400 ft., with possible extensions covered by swamp and lake on either side. Average width is two ft., while grab samples gave values from $18 to $24.

Straw Lake Beach Gold Mines, which had a shaft down 300 ft. when operations were suspended more than a year ago, has arranged new financing and is to reopen workings, which consist of two levels at 100 and 300 ft. where 17,000 tons of $18 ore have been proved. It is proposed to enlarge the plant and sink to 500 ft.

Threadneedle Mines has been organized to reopen another of the old early century operations south of here. It is proposed to de-water one of the two shafts, which is down 265 ft., sample it and, if satisfied with results, proceed with development work.

Lake Hill has been re-sampled and, if assays are satisfactory, shaft-sinking will be started in the near future.

Purity Farms Decision

Bondholders of Purity Farms Ltd. rank ahead of unsecured creditors in connection with liquidation, according to a recent appeal decision at Osgoode Hall, Toronto.

Hudson-Patricia Starts On Search For New Ore

From Our Own Correspondent

KENORA. — The second programme of underground diamond drilling at Hudson Patricia Gold Mines is now in progress, The Financial Post is informed semi-officially. The first programme in one direction failed to find commercial ore, while the present campaign directed in the opposite direction has encountered favorable geological conditions.

The mill has been shut down. With 17,000 tons of the original 26,000-ton reserve of $9.80 ore still available, it has been decided to suspend milling until sufficient new ore has been blocked out to purchase a complete new cyanide unit. A successor to J. M. Thompson, manager, who resigned, will be appointed shortly.

Denison Nickel Starts 3-Compartment Shaft

From Our Own Correspondent

SUDBURY.—John Rea, president of Denison Nickel Mines, was in the city a few days ago on his way to the property near Worthington Mine, west of Sudbury. Work of sinking a three-compartment shaft has already been started and good progress is being made.

Diamond drilling previously carried out at the Denison is stated to have disclosed a substantial body of nickel-copper ore, and the company's engineers have estimated that this can be mined and concentrated at a profit of $3.50 or $4 per ton. Allan Anderson, formerly manager of Central Patricia Gold Mines, is consulting engineer in charge of current operations.

Kirkland Hudson Bay May Finance Kenland

From Our Own Correspondent

WINNIPEG.—C. A. Abraham, president of Kenland Mines, in Winnipeg a few days ago, says negotiations are proceeding whereby Kirkland Hudson Bay Mines will take control and operate Kenland Mines, 50 miles southeast of Kenora.

J. M. Thompson, formerly manager for Hudson Patricia, is in charge with John W. Shaw as consulting engineer.

Drill to Probe Mackey Point

Was One of Earliest Gold Discoveries in Ontario

From Our Own Correspondent

SUDBURY.—One of the earliest gold discoveries in northern Ontario is to be given the "once over" under modern methods about 40 years after originally attracting the interest of mining men. The Mackey Point Mine, at Wawa Lake, Michipicoten area, will be thoroughy explored by diamond drill, and equipment and men are on the property getting initial operations under way. A new road has been cut into the location from the main highway. Sleeping camps for accommodation of 25 to 30 men, together with office building, have been constructed.

John M. Forbes, consulting engineer, has recommended a three-compartment shaft for the Mackey Point, and this work will be got under way, it is stated, as soon as the diamond drilling schedule is completed.

Some mining was carried on at this property after the original discovery by an Indian several years before the close of the last century. The early development, however, was of a primitive nature, and an old windlass and mining plant used in those days went to ruin several years ago.

Current Chatter From Manitoba

From Our Own Correspondent

Century Plans Shaft

Acting on the recommendations of Dr. J. Frank Wright, to commence shaft sinking on the Webb-Garbutt property at Elbow Lake, tenders are now being called for a mining plant, it being the intention of the Century Mining Co., operating the property, to take the plant in over the winter roads from mile 81 on the Hudson Bay line.

* * *

Form Billy-D Gold

To operate a property in the Rice Lake district Billy-D Gold Mines has just been formed with P. H. Winstanley as president, Dr. J. P. George, vice-president and W. A. Wither, secretary-treasurer. The property comprises a group of claims lying a mile west of Gunnar Gold Mines and about the same distance south of Central Manitoba Mines. Its immediate neighbors, Midfield Gold and Clover Gold have both been well prospected while on the Billy-D considerable surface work has been done at various times, with interesting exposures found on the surface.

* * *

Drill Henning Maloney

Drilling on the Henning Maloney property near Flin Flon is proceeding with results described by J. W. Callinan as quite satisfactory. So far drilling has shown an ore body for a length of 150 ft. This ore body has been traced on the surface, where possible over 3,000 ft. but with much intermittent ground under muskegs. Drilling was thought to be the cheaper method of proving it up. It is planned to put down a number of additional holes at 50-ft. intervals.

* * *

Reed Lake Sampling

Recent sampling on the property of Reed Lake Mines at Reed Lake, north of The Pas, as reported to John Waldron, The Pas, and a director of the company, gave 2.34 ounces across 8 ft. At the point where the trenching and channel samples were taken veins one and three appear as one with indications that they lie sufficiently close to be operated as one vein for a distance of 200 ft.

* * *

Gurney Shaft Deepened

The shaft at Gurney Gold Mines is now practically at its objective of 650 ft. Interesting results have attended the diamond drilling in the north drift, 250-ft. level where vein material has been intersected over a length of 85 ft. west of and adjacent to the main vein. Conditions strongly indicate this length of 85 ft. will be materially increased when opened up by drifting. This new ore averages 15 to 20 ft. wide and combined with the north main vein gives an overall mining width of from 20 to 25 ft. Assay results at this location give a return of .48 ounces over widths as great as 10 ft. and indicate a substantial increase in tonnage over that previously reported.

Missing Values Supplied In Chibougamau Report

Government Engineer's Data Follows Tenor of Smelters' Report

Couched in similar language to that used by Consolidated Mining & Smelting Co., the Quebec Bureau of Mines has issued a report on the Chibougamau Opemiska region, the highlight of which, from an investor's standpoint, is the reference to the property of Consolidated Chibougamau Goldfields, under option to Consolidated Smelters.

The chief contribution which the report prepared by G. S. MacKenzie, Government geologist, makes to knowledge on this enigmatic property is the addition of gold, silver and copper values to the lengths and widths shown by Smelters in a report issued last November.

The ore bodies sampled are shown below:

Vein	L'gth. ft.	Width ft.	Gold ozs. per ton	Silver in Ozs. per ton	Copper Per cent
204	189	2.4	0.29	0.29	1.33
209	60	2.8	0.31	0.23	1.75
210	140	4.1	0.30	0.39	0.62
215	173	3.7	0.27	0.43	1.80
219	206	1.8	0.17	0.19	0.83
404	120	2.0	2.38	0.32	1.49
416	27	3.0	0.13	0.21	0.76

Taking gold at $35 per ounce, silver at 44 cents and copper at 13 cents per pound, these values would work out in dollars and cents, as follows:

Vein	L'gth ft.	Width ft.	dollars per ton Gold $	Silv. $	Copp. $	Total Val. $
204	189	2.4	10.15	0.12	3.53	13.80
209	60	2.8	10.85	0.10	4.63	15.58
210	140	4.1	10.50	0.17	1.64	12.31
215	173	3.7	9.45	0.18	4.77	14.40
219	206	1.8	5.95	0.08	2.19	8.22
404	120	2.0	83.80	0.14	3.94	87.88
416	27	3.0	4.55	0.09	2.01	6.65

The above ore bodies are those which, in the opinion of Consolidated Mining & Smelting Co. would be commercial "in a large scale operation."

The copper-zinc-gold-silver area at the Flin Flon on the Manitoba-Saskatchewan boundary, is sometimes compared to the Chibougamau field. Both fields have, geographically, much in common, being far removed from regular transportation routes. Taking the same values for copper, gold and silver, and taking zinc prices, for the purposes of argument, at 6 cents per pound, the average per-ton value of the ore reserves at Hudson Bay Mining & Smeltings operation at Flin Flon was about $13.55 per ton. Hudson Bay Smelters total costs per ton in 1935, including bond interest, depreciation, and reserves but not including freight, was $3.70 per ton.

Grade Comparable

The point is that Hudson Bay is operating at a comfortable margin of profit under somewhat similar circumstances to the Chibougamau field on ore the grade of which compares with that shown in Chibougamau.

It is not argued that Smelters is justified in launching production plans yet, as the Chibougamau development obviously calls for large tonnage operations, necessitating the blocking out of considerable ore. The comparison, however, does serve to indicate that published results of the Chibougamau operation, meagre as they are, contain little to change previous estimates of this prospect.

The results as indicated, certainly do not indicate a high grade or even medium grade operation, but nobody, as far as The Financial Post is aware, ever attempted to describe Chibougamau as anything other than a low-grade, large-tonnage prospect.

In view of the hammering which this stock has undergone at the hands of the rumor mongers, most observers view the Quebec Government report clearing the air to the extent of publishing values.

Merrill Island Property

Anxiously awaited by the public is release of the Quebec Government's report on the Merrill Island property of Consolidated Chibougamau, which has been only partially developed by Smelters, with results not released.

In Montreal recently, a representative of The Financial Post saw a report made on the Merrill Island group by Dr. Friedrich Esser, of Germany, who examined this property in 1931. In this report, Dr. Esser estimated from surface work and drilling that the ore body contained 525,000 tons of ore averaging 0.26 ounces gold and 3.14% copper. At present prices, this would represent a dollars and cents value per ton of $14.77.

In view of this report, the general tenor of which was favorable, it is believed the Merrill Island property is of potential importance in the Consolidated Chibougamau picture. Yet to be comprehensively explored is the property of the same located north at Bourbeau Lake.

It will be recalled that the Smelters report made last November, made mention of a new ore body located by drilling from the 500-ft. level.

Of this development, the Quebec Government's engineer states that this ore body has interesting widths and values.

"Not Related"

This mineralization is not directly related to any previously found on the surface or underground workings as it mostly underlies the lake. In the most westerly of three holes drilled, 10.7 feet of mineralization was obtained carrying 0.41 ounces in gold, 0.20 ounces in silver per ton and 5.4% copper, over a width of 16.7 feet, including the above width; the results were as follows: gold, 0.31 ounces; silver, 0.14 ounces; copper, 3.64%.

One hundred and thirty feet south of this is 8.0 feet of mineralization carrying 0.14 ounces in gold, 0.10 ounces in silver per ton and 0.79% copper. Mineralization was intersected at a number of points in the other two holes at 250 and 400 feet, respectively, east of the above. The gold values in these are up to 0.25 ounces per ton over 8.4 ft.; 0.40 ounces over 1.7 ft.

Find Good Copper Values

In other intersections gold values are low, but good copper values are present. Thus 2.75% of copper was obtained in one intersection of 29.5 feet; in another 4.60% over a width of five feet, as well as lower percentages in other intersections up to 60 ft. in width.

Silver values up to 0.59 ounces accompany the above gold and copper values. It is not yet clear how the mineralization is related from hole to hole. Examination of assay plans shows no such mineralization in a crosscut opened since July and diamond drill hole 200 ft. west of the most westerly of the above three holes. The company is at present advancing a drift on the 500-ft. level to explore this section.

OPTIONS

In accordance with listing regulations, the Toronto Stock Exchange has been advised regarding options and underwritings upon treasury shares of the following companies:

Anglo-Huronian — An additional 500 shares have been issued at $5 per share in accordance with terms of option agreement May 6, 1936.

Argosy—A block of 50,000 shares has been sold to Brett Trethewey Mines at $1.13½ per share, in consideration of a loan of $50,000 which the latter company recently advanced to Argosy. Board of Directors have authorized the sale of an additional 100,000 shares of treasury stock which will be sold as opportunity arises. A block of 10,000 shares under this arrangement has already been sold at prices averaging $1.30.

Arntfield—is entering into an agreement with Algray Mines under which Arntfield will purchase part of two claims, comprising approximately 325 acres, adjoining the northern boundary of its property. Company will issue 100,000 shares of treasury stock for these claims.

Goodfish—has given an option on 1,000,000 shares at prices ranging from 15 to 30 cents with payments of $15,000 down and $20,000 monthly. Agreement provides for payment of a 25% commission upon proceeds of the sale of the first 250,000 shares taken up under the agreement.

Highwood Sarcee — has purchased an 80-acre oil lease described as legal subdivisions numbers 9 and 16 and section 11 in township 20, range 3, west of the 5th meridian. For the lease, 20,000 shares of Highwood Sarcee were paid and the vendors have also the reservation of a 5% overriding royalty.

Homestead—An additional 50,000 shares have been taken up at 50 cents per share under agreement April 9, 1936, bringing total issued capital to 1,300,000 shares. Balance of option comprises 100,000 shares at 75 cents; 50,000 at $1, with next payment due by April 29.

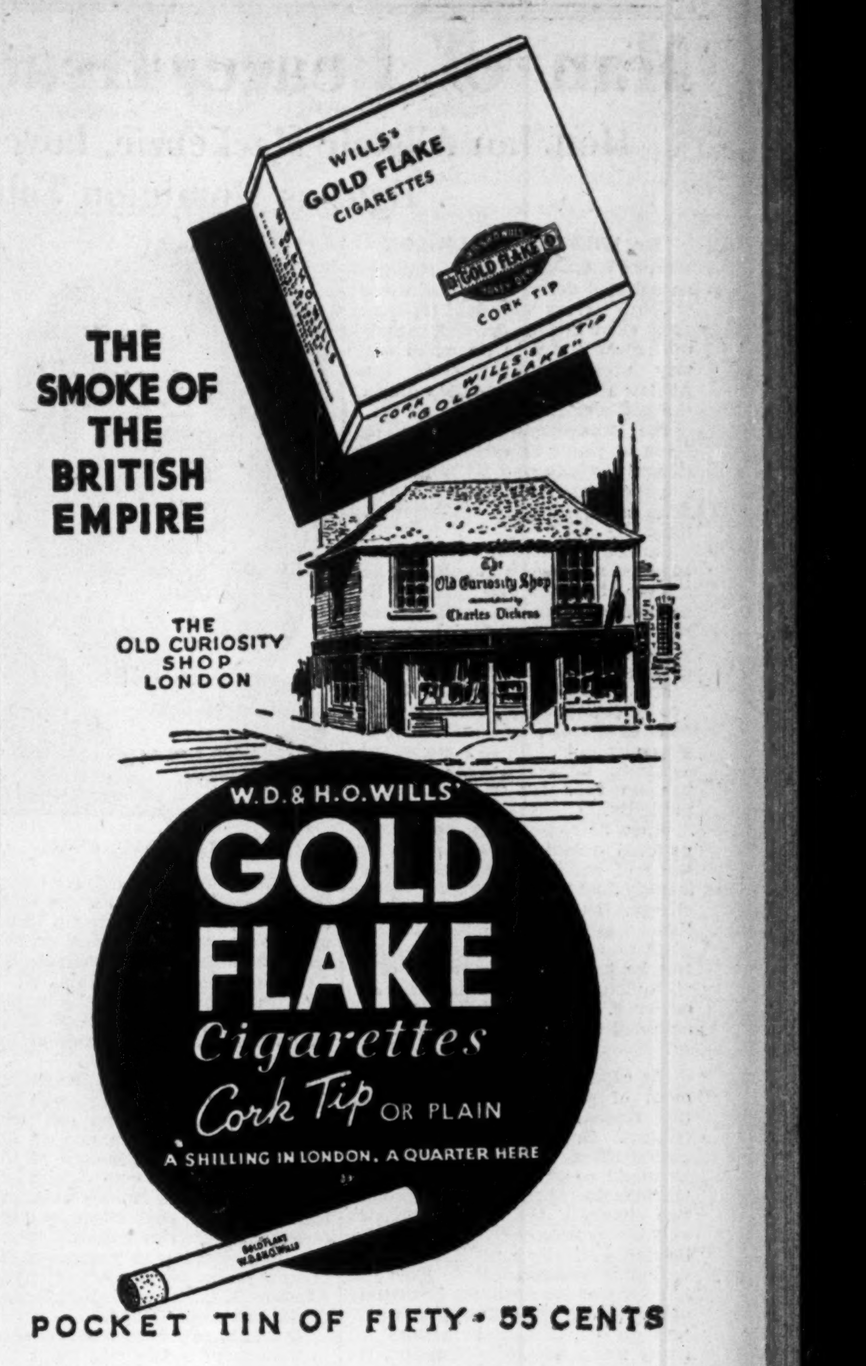
Lamaque Contact—has sold 28,000 shares for $6,800 net.

Lebel Oro—A block of 72,000 shares has been sold at 25 cents per share and an option given until March 1 upon 72,000 shares at 25 cents.

Federal Kirkland Mining—An additional 50,000 shares have been taken up at 30 cents per share under agreement dated Dec. 2, 1936. Balance of option comprises 425,000 shares at prices ranging from 30 to 80 cents per share.

Granada Gold Mines—Feb. 1 installment covering 50,000 shares at 20 cents under underwriting and option agreement dated June 1, 1936, has been received. Next payment under option comprises 50,000 shares at 22½ cents by April 1.

Preston East Dome Mines—An additional 50,000 shares have been taken up at 50 cents per share under underwriting and option agreement dated Jan. 28, 1936. Balance of option comprises 89,500 shares at 50 cents by Oct. 1, 1939.



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No shares other than the 1,250,000 shares already issued shall be issued or allotted without the approval of two-thirds of the votes cast at a special general meeting of the shareholders called for that purpose.
LOCATION
Lease is one-quarter mile south west of that of Foundation Petroleums, Ltd.
Drilling Contractor—W. F. FARRIS.
TRUST AGREEMENT
The shareholders, as regards the net production from the well, stand in the same position as royalty holders in the ordinary royalty company, as the net production is assigned to The Trusts and Guarantee Company Limited for distribution to shareholders every three months, and in addition the shareholders own a proportionate interest in the other assets of the Company which consist of the balance of the forty acres on which this well is situated.
The gross royalty from the forty acres in question is at the rate of 22½%, and in the event of obtaining daily production in excess of 500 barrels, the gross royalty will be increased to 25%. The net production is, therefore, 77½% or 75%, according to the daily production from the well, against which the Company has issued 1,250,000 shares of a par value of 25c per share.
12,500 shares represent 1% of net production.
6,250 shares represent ½ of 1% of net production.
3,125 shares represent ¼ of 1% of net production.
2,500 shares represent 1-5 of 1% of net production.
1,250 shares represent 1-10 of 1% of net production.
625 shares represent 1-20 of 1% of net production.
Price 25c Per Share
Application will be made to list these shares through the Montreal Curb and the Toronto, Calgary and Vancouver Exchanges.
Gray, Byrne & Company
LIMITED
Lancaster Building Calgary, Alberta

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INDUSTRIAL AND MINING
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Members
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NORTHERN CANADA MINING CORPORATION, LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

This issue having been sold, this advertisement appears as a matter of record only.
We Offer 800,000 Shares
Monarch Royalties
LIMITED
CAPITALIZATION
Authorized—2,500,000 Shares—Par Value 25c per share.
Issued— 1,250,000 Shares—Par Value 25c per share.
No shares other than the 1,250,000 shares already issued shall be issued or allotted without the approval of two-thirds of the votes cast at a special general meeting of the shareholders called for that purpose.
LOCATION
Lease corners to the North and West, that of Foundation Petroleums, Ltd. Well is located ¼ mile North and ¼ mile West, that of Foundation Petroleums No. 1 well.
Drilling Contractors—SNYDER & HEAD.
TRUST AGREEMENT
The shareholders, as regards the net production from the well, stand in the same position as royalty holders in the ordinary royalty company, as the net production is assigned to The Trusts and Guarantee Company Limited for distribution to shareholders every three months, and in addition the shareholders own a proportionate interest in the other assets of the Company which consist of the balance of the forty acres on which this well is situated.
The gross royalty from the forty acres in question is at the rate of 20%, and in the event of obtaining daily production in excess of 500 barrels, the gross royalty will be increased to 25%. The net production is, therefore, 80%, or 75%, according to the daily production from the well, against which the Company has issued 1,250,000 shares of a par value of 25c per share.
12,500 shares represent 1% of net production.
6,250 shares represent ½ of 1% of net production.
3,125 shares represent ¼ of 1% of net production.
2,500 shares represent 1-5 of 1% of net production.
1,250 shares represent 1-10 of 1% of net production.
625 shares represent 1-20 of 1% of net production.
Price 25c Per Share
Application will be made to list these shares through the Montreal Curb and the Toronto, Calgary and Vancouver Exchanges.
Gray, Byrne & Company
LIMITED
Lancaster Building Calgary, Alberta

Man of Peace Heads Canada's Defense

Hon. Ian Alistair Mackenzie, Lover of Books, Finds Himself in Limelight as Dominion Talks Increased Armament

By WILFRID EGGLESTON

HON. IAN MACKENZIE

OTTAWA.—The rising emphasis on national defense the world over, which is having important repercussions even in Canada, and explains the new activity in Canadian military preparations, projects Hon Alistair Mackenzie into the centre of the political stage.

The Department of National Defense in peace times is normally a minor portfolio and its minister in the secondary ranks. Wars and rumors of wars thrust greatness upon them.

Canada's defense minister is a man of peace, a Liberal humanitarian and a lover of culture and the arts. But he is also a Highland Scotsman who realizes that liberty is the prized possession of those who may find it necessary to fight for it.

Ian Mackenzie has been for 17 years in Canadian public life and yet he is comparatively unknown to the general public. He is a modest unassuming man, and a scholar, and has no flair for the calliope of publicity.

When he came to the portfolio of national defense a year or so ago some of his intimate friends were frankly doubtful of his ability to take charge. They knew him as a brilliant bookman and a successful platform and parliamentary speaker But he had come to the age of 45 with virtually no administrative experience, except the little he had obtained during the war as captain.

Shows His Ability

His capacity as head of a department of growing significance, for this reason, has delighted official Ottawa. One of his first steps on taking office was to organize his department so that all contacts with the department reached him through two channels, the deputy minister and his private secretary. He delegated authority and held his subordinates responsible. He left himself free for decisions in matters of high policy, declining to interfere in departmental matters all ready under adequate direction. He mastered the detail of his department and read up military tactics and modern methods of warfare exhaustively. When he has a decision to make he does it with characteristic speed and definiteness.

Ian Mackenzie's thoroughness was well illustrated when he was invited to Toronto to speak at the dinner which celebrated the acquisition of "The Globe" by Messrs. McCullagh and Wright.

Before he went to Toronto he read through a life of William Lyon Mackenzie, another on George Brown, a third on Edward Blake, with all the other available data on the early history of the newspaper and the period which it influenced.

The result was that he knew more about the origins of "The Globe" than anyone else sitting around the banquet tables.

The rough outlines of Mackenzie's career have been told several times, but they add nothing to the concise summary of "Who's Who." Like so many stories of immigrants to Canada who have risen to high rank, his contains the elements of a most fascinating tale.

There is not the slightest doubt that when he decided to go into law and emigrate to Canada the British Isles lost a Celtic scholar who would have ranked with the leaders of any period.

Brilliant as Student

In the halls of Edinburgh he is remembered now, a quarter of a century afterward, as one of their most brilliant graduates.

The story of his academic successes is monotonously dazzling. He came of humble parents and had to earn every step of his education by bursaries, scholarships, and grants

He was born and reared in the romantic Highlands, in Assynt parish, surrounded by lofty peaks and wild uninhabited deer forests.

It is a part of the world where greatness is not measured by affluence. The minister was reminded of that this summer by one of his old family friends.

"We know you're a great man out in Canada," said this colleague of his father. "We've read about you in the papers. But remember this: No matter how far you go, you'll never be a greater man in Canada than your father was in these parts."

The natives of Sutherland speak Gaelic, and the minister often receives letters from his old Scottish friends in this ancient tongue.

When they do arrive, the minister's secretarial staff, normally so efficient, breaks down and confesses defeat. These letters have to be looked after by the minister himself

The Highlands of Scotland exhibit true democracy, which explains a social event at Ottawa. The Prime Minister's butler, a native of Sutherland, was recently married.

Hon. Ian Mackenzie, who was present at the ceremonies which followed the wedding, proposed the bride's health in eloquent Gaelic, to the joy and pride of all concerned.

The minister's exhaustive studies into Erse, a branch of the Gaelic carried on with the aid of a grant from the Carnegie Foundation, make him at home among the Celtic Irish, the Welsh, the Highlanders of Scotland and the people of Brittany.

Leaves Honors in Wake

When he was 13 he went to the famous Highland school at Kingussie, and three years later, having completed the course, he was first in the qualifying cholarship for northern Scotland. At Edinburgh he won Professor Blackie's Celtic prize, the Blue Ribbon for Celtic in Scotland. He won three gold medals in his final year. His M.A. was acquired in 1911, he was in the honors class of 1912, acquired his LL.B. in 1914. In 1913 he won the "Thow" Scholarship. He edited the university magazines. He spent much time translating old Irish manuscript and in writing articles on Celtic themes for periodicals. Sir Archibald Sinclair and Hon. W. S Morrison, leaders in British public life now, were classmates at Edinburgh and are close friends at the present time.

It was the presence in British Columbia of J. W. Stewart, who had an estate in Sutherland and who went West to become one of the leading railway contractors of the Pacific Coast, and who during the war organized the famous Canadian railway troops, that influenced Ian to leave the British Isles and begin the practice of law in Vancouver. He became junior partner with Douglas Armour K.C., son of the former Chief Justice of Canada.

He had hardly become established in Vancouver before war broke out and he enlisted in the 72nd Seaforth Highlanders, seeing service as a lieutenant at Ypres, Kemmel, the Somme. General Stewart drafted him later to his staff when the railway troops were being organized Captain Mackenzie was mentioned in dispatches.

The war over, he returned to Vancouver, and his prominence in the veterans' organizations almost inevitably started him in political life.

The only episode in his earlier career which pointed toward parliament was his zealous participation in one of the historic Edinburgh University "scraps" when the streets were barricaded and sharp clashes occurred between Liberals and Conservatives, the issue being one of Lloyd George's campaigns. Ian, it need hardly be said, was prominently identified with the Liberal faction

In Vancouver Mackenzie became city president of the Great War veterans, and then provincial president, and when the Legion was formed he became Dominion vice-president.

Elected with a sensational vote to sit in the legislature for Vancouver in 1930, he has since been continuously a member of a provincial or federal house.

Clerk Makes History

A rather comical tale is told of his appointment to the post of Minister of Immigration in 1930, just before the general election of that year.

His presence was required in his own province, and instead of requiring him to go to Ottawa to sign the oath, the clerk of the Privy Council took the unprecedented step of travelling across the continent and swearing him in out there.

Shortly after his appointment, he received a series of heated telegrams from an aggrieved party in connection with some immigration matter. They were such as to suggest the need of immediate action.

The newly-appointed minister consulted in some bewilderment his colleagues. "I would wire my private secretary at Ottawa if I knew his name," observed the immigration head.

Somebody suggested that the proper person to deal with the matter would be the deputy minister. And so, the deputy minister's name having been duly ascertained from a reference book, he was asked to look into the grievance and deal with it on its merits.

Another ancedote of that campaign illustrates his ability to rise to an occasion.

He arrived at the town of Revelstoke to meet Mackenzie King and a Liberal Senator. They were all to address a meeting that night.

The premier introduced his new minister to members of the Ottawa press gallery, who were along. It happened that Ian Mackenzie had severely wrenched his back a few days before and was only able to get around by gritting his teeth and bearing the agony as stoically as possible. His manner, under the circumstances, was not as easy and charming as usual.

"Well," drawled a member of the press, given to blunt comment, "I don't think much of him."

Reconsider Opinion

That evening with the temperature in the nineties, Ian Mackenzie made his first address as a federal minister. The setting was inauspicious. The Liberal Senator, first on the programme, had been carried away by the occasion and stretched his "curtain raiser" to 90 minutes. Ian Mackenzie was next, and the Prime Minister was to conclude. The crowd became restive.

At long last the new minister was given the floor. It was a historic moment for him. He might have been pardoned if he had made it something of a gala occasion. As everyone knows, he suffers from no lack of words. He can talk for hours without effort.

His address on this occasion lasted exactly four minutes. He said everything that it was essential a new minister should say, thus presented for the first time to his province, and then sat down, leaving the stage free for the Prime Minister. The crowd roared appreciation.

The candid Gallery man turned again to his colleagues: "Say, I'll take it all back. That felow's magnificent."

The nimble wit of the Celt flashes out often in Ian Mackenzie's contributions to parliamentary debates.

Before he had been in the House of Commons very long it was necessary for him to sit as a Liberal frontbencher (in Opposition) and listen to a necessary but exceedingly tedious explanation of an amendment which one of the ministers was making to a bored house.

After a few minutes of this, Mr. Woodsworth, off in the southeast corner, rose and complained that he was unable to hear a word of what was being said.

"You're lucky," shot down the member for Vancouver, amid the chuckles of Opposition members.

On another occasion the Hon Peter Heenan, ex-Minister of Labor. was working himself up to violent pitch over the iniquities of a Government railway measure. Swinging his arms wildly, he clipped the former Immigration Miinster on the jaw.

"Lead with your right, Peter, lead with your right!" observed Ian, causing a general laugh during which the speaker was able to regain control over his upwrought feelings.

Lover of the Sea

The Minister of National Defense has a passion for the sea. He loves vessels of all sorts, especially sailing vessels. He is a member of the Royal Vancouver Yacht Club and of the Vancouver Rowing Club. His British Columbia friends say he is a wonderful yachtsman, and he regards the coast of the Pacific as the most perfect region for that sport in the world. He thinks it will produce a race of seamen second to none. He is so fond of being on the water that when the Canadian destroyer "Skeena" went across the Atlantic last summer in connection with the Vimy unveiling, he planned to go over on her, and was only dissuaded when he learned that it was impossible to fit the two schedules—his own and the destroyer's—together. Anyone who has travelled across the Atlantic on a destroyer will bear witness to the zeal of a sailor who chooses it when he could be on a palatial liner.

Cabinet ministers live such busy lives that they find it necessary to make sacrifices when they accept the job. The studious ones have to give up their reading, usually. But Ian Mackenzie, always a prodigious and encyclopedic student, found a way of getting around that. He has always been an early riser. He is awake between six and seven, and it is then he begins his reading for the day. By the time he begins office duties at ten or a little later, he has refreshed his mind and added to his store of knowledge. The period is sacred to him, and unless he has made some specific appointment beforehand he will not cut in on it. On long campaigns he often retires after a heavy day with an armful of books, magazines, newspapers and other reading matter, and when he turns up next morning he brings the armful back. He has gone through them all.

For Punctuality

The Minister of National Defence makes a bit of a fetish of punctuality. He is always on time himself; he expects others to do likewise. A caller who turns up at six minutes after ten for a ten o'clock appointment will find the minister engaged on other tasks.

The Minister of National Defense is tall, handsome (he was picked by Miss Agnes Macphail as among the ten most pulchritudinous members of the Commons), dresses with exceptional taste, is 46 years old, is a Presbyterian and speaks with the tongue of a Scot.

Anglo Telephone Lowers Charges

Details Complete for Refunding Old Preferred—Issue Underwritten

From Our Own Correspondent

MONTREAL. — Anglo-Canadian Telephone shareholders have passed a special by-law creating $7.5 millions of cumulative preferred stock, of which $3,630,000 is to be authorized for immediate issue as 5% cumulative preferred stock, of $50 par value, to refund the presently outstanding $3.3 millions of 7% preferred stock, to be called for redemption May 1 next at $55 a share and accrued dividends.

Following the notice of redemption, holders of the presently outstanding preferred stock will be given the opportunity to exchange their holdings for new 5½% preferred stock on the basis of one share of new preferred plus $2.50 in cash for each old share.

Conversion Underwritten

This offer will be good for 21 days after the date of issue of the notice of redemption. Conversion of the preferred has been underwritten by W. C. Pitfield & Co., Montreal, and Robert Benson Co., of London, England, who have agreed to purchase any shares remaining unconverted.

After the refunding operation, the company's outstanding capital will comprise $3,630,000 of 5½% preferred shares of $50 par value, $3,435,500 of class A shares, $2.435,500 of class B shares and $1 million of deferred shares, all of $10 par value.

An Announcement:

THE
Investors' Chronicle
Established 1860

Published in London, England, which has the largest net sale of any weekly financial newspaper, is publishing a special

Canadian Mining Supplement

This Supplement will be read by Bankers, Stockholders and Financiers throughout the entire British Isles, and will thus form a valuable financial link between Canada and the Mother Country.

Full particulars of advertising rates, etc., can be obtained upon application to — E. Stuart Johnstone, The Park Plaza, Avenue Road and Bloor Street, Toronto.

Legal and Professional Directory

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Formerly Chairman, Workmen's Compensation Board, Ontario.
Special attention Workmen's Compensation, Social Insurance, Life Insurance, Corporation and Commercial Law.
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The Eastern Trust Company

FORTY-FOURTH ANNUAL REPORT For the Year 1936

Continued progress in the affairs of The Eastern Trust Company is revealed in the financial statement of the Company for 1936, which was presented at the annual general meeting of the Shareholders on February 9th. Although several large trusts and sinking funds to the value of $2,188,101.40 matured and were disbursed during the year, the assets under the Company's administration increased by $854,464.04, making a total of $57,375,616.44 at the end of the year. Guaranteed investment funds had increased by $874,894.17, compared to an increase of $642,204.58 in 1935, and amounted at December 31st to $6,682,138.48.

The Reserve Fund continues to grow year by year, the amount of $25,000 again having been added, so that it now stands at $275,000.00. This was done after providing for all known losses during the year, laying aside a reserve of $28,000.00 for tax levies, writing down long-held assets by $10,724.02, writing $14,534.17 off office fixtures and premises, paying the regular dividends, and carrying forward a profit and loss balance of $24,150.27. Net earnings stand at $158,893.40 for the year.

These are among the elements of security and strength which give the Company its high qualifications for corporate trust service. The Company's assets are increasing while valuations are being conservatively made, the Reserve Fund is being steadily augmented, and tangible evidence of public confidence is seen in the growing number of accounts being entrusted to the Company's care.

FORTY-FOURTH ANNUAL REPORT OF THE Board of Directors

For the Year Ending 31st December, 1936

To the Shareholders of
The Eastern Trust Company:

The Directors submit herewith the financial statement of your company for the year ended 31st December, 1936.

The earnings for that period have again permitted the payment of the regular dividend and the transfer of $25,000.00 to Reserve Fund.

Adequate provision has been made for possible losses in mortgages and other investments, and for the increasing taxation which the various taxing authorities have imposed. As in former years, the assets of the Company have been included at less than their market value.

The business of the year was very encouraging, the value of new accounts being greater than usual, and those already under administration were benefitted by the pronounced improvement in the strength and market values of investments generally. Several important sinking funds, which had been managed for corporate clients for some years, matured and were paid off. These brought the value of assets distributed to $2,188,101.40 in spite of which the total assets under administration have increased to $57,375,616.44.

For a considerable time your Directors had realized that an office was needed in Toronto to give the service called for by clientele in Ontario, particularly corporate clients requiring stock transfer agency, trusteeship and registrarship facilities in co-operation with those already given by the Branch at Montreal. The office was opened at 330 Bay Street, Toronto, in November and immediately became actively engaged in those duties.

The Directors regret to record the loss by death of Sir Marmaduke G. Winter, C.B.E., Chairman of the Newfoundland Advisory Committee since 1913, and Honourable F. C. Alderdice, also of the Newfoundland Committee since 1929. Grateful acknowledgment is made of the valuable support derived from them through the years. The Board has been further strengthened by the appointments of Honourable W. D. Ross of Toronto, and Colonel D. H. McDougall of Montreal.

With the steady increase in the Reserve Fund and the continued strengthening of the Company's internal condition, the Directors confidently invite the accounts of all those who require trust company facilities.

Respectfully submitted on behalf of the Board.

F. B. McCURDY, President.

Halifax, N.S., Jan. 28th, 1937.

LIABILITIES			ASSETS		
Capital Paid Up	$1,000,000.00		Dominion, Provincial, Municipal and other Bonds	$ 292,966.10	
Reserve Fund	275,000.00		Stocks	17,318.75	
Profit and Loss Account	24,150.27		Loans on Stocks and Bonds	189,936.61	
Provision against Liability for Taxes	43,300.81		Mortgages	407,174.02	
Dividend No. 143 due January 2nd, 1937	20,000.00		Accrued Interest on Mortgages and Bonds	22,621.93	
			Real Estate Held for Sale	93,117.68	
			Office Premises, Vaults and Safe Deposit Boxes	107,000.00	
			Advances to Estates, Trusts and Agencies	104,626.10	
			Cash in Bank and on Hand	127,689.89	
		$ 1,362,451.08			$ 1,362,451.08
Deposits for investment guaranteed	$6,682,138.43		**Deposits for investment guaranteed:**		
			Dominion, Provincial, Municipal and other Bonds	$1,311,863.15	
			Mortgages	1,652,070.18	
			Loans on Stocks and Bonds	3,566,070.25	
			Accrued Interest on Mortgages and Bonds	28,810.25	
			Cash in Bank and on Hand	123,324.65	
		$ 6,682,138.48			$ 6,682,138.48
Estates, Trusts and Agencies:			**Estates, Trusts and Agencies:**		
Estates, Trusts and Agencies under administration	$49,331,026.88		Stocks and Bonds	$38,265,724.84	
			Mortgages	5,120,734.39	
			Savings Bank	211,200.10	
			Loans on Stocks and Bonds	127,555.58	
			Cash in Bank and on Hand	385,864.59	
			Real Estate and Sundry Assets at Inventory Values	5,219,947.38	
		$49,331,026.88			$49,331,026.88
		$57,375,616.44			$57,375,616.44

RESERVE FUND

1936		1936	
Dec. 31. To Balance	$ 275,000.00	Jan. 1. By Balance	$ 250,000.00
		Dec. 31. By Transfer from Profit and Loss	25,000.00
	$ 275,000.00		$ 275,000.00

PROFIT AND LOSS ACCOUNT, 31st DECEMBER, 1936

To Quarterly Dividends Nos. 140, 141 and 142	$ 60,000.00	By Balance Dec. 31st, 1935	$ 23,515.06
" Quarterly Dividend No. 143 declared and due Jan. 2nd, 1937	20,000.00	" Net earnings after deducting charges of Management, Auditors' and Directors' Fees and all other expenses	158,893.40
" Office Fixtures written off	5,534.17		
" Office Premises written down	9,000.00		
" Assets written down	10,724.02		
" Provision for Taxes	28,000.00		
" Transfer to Reserve Fund	25,000.00		
" Balance	24,150.27		
	$ 182,408.46		$ 182,408.46
		1937 Jan. 1. By Balance	$ 24,150.27

F. B. McCURDY, President. F. H. M. JONES, General Manager.

AUDITORS' CERTIFICATE

To the Shareholders of
THE EASTERN TRUST COMPANY:

We have examined the Books and Accounts of The Eastern Trust Company at its Head Office, Halifax, and at the Charlottetown, Moncton and Montreal Branches and have been furnished with the local Auditors' Reports on Saint John, N. B., and St. John's, Nfld., Branches, and have accepted the Certificate of the Company's Inspector for his audit of the Toronto branch. We have verified the Securities at the Head Office and at the Charlottetown, Moncton and Montreal Branches of the Company and for the other Branches have accepted the local Auditors' Verification Reports, and that of the Company's Inspector for Toronto Branch. We have also accepted the Report of the Inspection Committee of the Board in respect to Mortgages and Real Property held.

We have been furnished with all the information and explanations we have required, and in our opinion the Balance Sheet of 31st, December, 1936, submitted herewith, is properly drawn up so as to exhibit a true and correct view of the state of the Company's Affairs at 31st December, 1936, according to the best of our information and explanations given to us and as shown by the books of the Company.

JOHNSON, SMITH & CO.,
Chartered Accountants,
Auditors.

Halifax, N.S.,
28th January, 1937.

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